FINANCIAL TIMES

No. 26,173 Friday September 28 1973 ** 6p

CONTINENTAL SELLING PRICES: AUSTRIA Sch.10; BELGIUM Fr.14; DENMARK Kr.2.25; FRANCE Fr.1.50; GERMANY DM1.30; ITALY L.170; NETHERLANDS Fl.1.00; NORWAY Kr.2.50; PORTUGAL Esc.18; SPAIN Ptas.20; SWEDEN Kr.2.00; SWITZERLAND Fr.1.30; EIRE 7p.

Heath-TUC talks end on hopeful note

BY JOHN ELLIOTT, LABOUR EDITOR

THE FINAL meeting between the Prime Miinster and the TUC in advance of publication of the Phase Three counter-inflation proposals ended last night with surprising good humour and a good chance that the dialogue will be resumed next month.

Although there is still no prospect of an agreement between the Government and the unions on wage and price controls, the two sides yesterday appeared to have amicably recognised each other's standpoints.

The Government will now meet the CBI next Monday and will then finalise its Green Paper for publication—expected in about a week's time.

As reported in the Financial Times yesterday, the prospects are expected to include a total wage package costing approching 10 per cent.—made up of 8 per cent. basic rises together with extras such as allowances for flexibility, low pay, thresholds, cost of living increases, and correction of pay freeze anomalies.

The low paid might be helped with guaranteed £2 a week pay rises costed within the 8 per cent.

The Goernment has also proposed the creation of a new Low Pay Commission, or some other similar body, charged with recommending how productivity, and therefore wages, could be boosted in low paid industries.

The Prime Minister seemed to accept last night that Government money might need to be injected into some such industries to boost productivity. This would depend, however, on recommendations of the Commission which could be headed by a tripartite body of employers, trade unionists and independents.

Mr. Heath refused last night to be drawn on the details of the Government proposals, describing the 10 per cent. forecasts smilingly as "pure speculation."

Both he and Mr. Len Murray, TUC general secretary, appeared satisfied with progress when they issued televised statements after the talks which lasted for some four hours.

The Prime Minister thought the talks "very useful" and a "very good humoured discussion" while Mr. Murray regarded them as "frank".

Confidence

The main sign of a fresh atmosphere came in Mr. Murray's formal statement. He acknowledged that "the Government appears to have been listening" to the TUC representations in recent months although it was not yet known how far the Government would go down the TUC road.

"Now that it has become clear that the Government recognises there is a need for far greater flexibility in its approach to pay, it follows logically that it is in principle recognising the strength of the TUC case for voluntary collective bargaining."

As union leaders prepare to gather in Blackpool for the annual Labour Party conference, this was a *significant statement* of confidence in the talks from the new TUC general secretary.

Mr. Murray then almost accepted that the TUC would return for more talks after the Green Paper was published when he said that it would take an extreme and bald statement of statutory collective bargaining alone to make them think returning worthless.

The Green Paper is likely to emphasise the increased flexible nature of Phase Three compared with Phase Two, along with other measures on items such as pensions and low pay.

It then remains to be seen first, how successful the TUC lef-wing is in organising a special recalled Trades Union Congress to muster opposition to Phase Three, secondly how the new pay criteria stand up to the strains of this winter's wage bargaining.

The only point on which the Government and TUC yesterday desitered disagreement was over the Housing Finance Act rent increases due next month.

The TUC wants them stopped, while the Prime Minister made it clear the Government felt it had taken adequate action to offset hardship and would go no further.

On food subsidies, the Prime Minister seemed careful after the talks to stress there was no Government opposition in principle. He pointed out that £500m. a year was already being spent on subsidising butter and milk and on nationalised industry prices.

Union leaders also left feeling sure that old-age pensioners would benefit from Phase Three.

The main concentration last night, however, apart from the fact that the Government and TUC were agreed on their common objective of economic growth with curbed inflation, was that Phase Three would be flexible.

Flexibility

Mr. Heath emphasised that "we must have more flexibility in negotiations." This has been urged by both the CBI and TUC and Mr. Heath acknowledged it was necessary to cure both pay anomalies and rigidities in the industrial system.

Ministers have been considering, and it is thought may come down in favour of, allowing some part of their total wage package for clearing industrial bottlenecks in addition to proposing tightly-drawn rules for improved production.

It was made clear that there was no question of meeting the TUC "free collective bargaining" call. The Prime Minister spelt out the reasons for this when he said "if there is to be an entirely voluntary agreement, there must be a firm assurance that inflation must be contained."

How inflation made an ass of Phase Two Page 24

Petrol increase of 1p likely in general oil price rises

BY ADRIAN HAMILTON

A GENERAL oil price rise, including 1p per gallon on petrol and possibly more on diesel and heating oils, is likely to be introduced within the next week.

More than a month has passed since the leading oil marketers applied to recover cost increases averaging 0.6p to 1p a gallon on oil supplies. All the indications suggest that the Price Commission has now accepted their case.

Although some reports circulating in the oil markets suggest that the Commission may have cut back the level of some applications, the general feeling is that rises of at least 0.6p and in some cases as high as 0.8p a gallon will be introduced.

On past experience the most likely timing for any announcement would be next Monday.

Just how the increases will be spread across the range of products remains uncertain, and the situation is likely to be further confused by the different level of prices advances allowed between companies, depending *on their* particular cost circumstances.

Petrol, the easiest product on which companies can introduce a rise, will almost certainly bear a substantial proportion of the increase, although in view of the political sensitivities aroused by the subject it is unlikely to be more than 1p per gallon.

This would put up the average cost of three-star petrol, at present standing at about 38p per gallon, by less than 3 per cent.

Fuel oil, the largest single oil product in the market, is in surplus on the European markets,

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A highly promising new oil discovery has been made east of the Shetlands by the Conoco/NCB/Gulf group in the North Sea. The find, which has still to be fully evaluated, could prove a significant commercial discovery, industry sources suggest. Back Page.

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and may be asked to bear no more than another 0.1p per gallon, against the scheduled price of heavy fuel oil of between 8.49p and 9.32p, including tax.

Against this the most active part of the market remains that of "middle *distillates*"—diesel oil, gas oil, and heating oils—*where supplies* are now tight, demand is rising and U.K. prices are most seriously out of line with the rest of Europe.

It is here that the largest individual increases, possibly as much as 1.5p per gallon, are likely to apply and the differences between oil companies to emerge.

Oil companies have already been reducing rebates throughout the market over the past few months, in some cases by as much as 3p per gallon.

Companies have also been restricting sales in the light of the uncertainties of supply and the high cost of buying marginal quantities on the European market.

Under these conditions the minimum likely rise will probably be slightly over 1p per gallon, against a scheduled price of diesel oil throughout the country of 32.64p to 33.47p per gallon, a wholesale price of standard burning, or heating oil of about 12p per gallon and an average scheduled price of gas oil (used largely in industry) of about 11p per gallon.

As oil companies seek to obtain the full recovery of cost increases allowed with different price changes, it will be interesting to see whether competitive forces keep the distillate rises to the lowest level introduced or whether, more probably, the constraints on seeking new business (now the policy in most companies) will allow differences in prices without encouraging any substantial movement to lowest-price brands.

Another interesting point is whether the oil companies will be allowed to recover some element of cost increase in crude oil because of higher world market prices over and above the direct cost rises due to higher producer-government "take".

If not, several have warned that additional oil supplies could be discouraged from entering the U.K. in favour of higher-priced markets, possibly causing shortage.

Agnew: evidence to grand jury

BY ADRIAN DICKS

WASHINGTON, Sept. 27.

A FEDERAL grand jury in Baltimore began hearing evidence this morning relating to Vice-President Spiro Agnew's possible role in widespread bribery and corruption schemes alleged to have flourished in Maryland while he was a county official and, later, Governor of the State.

To-day there was no sign of any move by Mr. Agnew's lawyers to try to block the grand jury proceedings. One of them, Mr. Judah Best, said that the Vice-President was "in no hurry," and suggested that a suit might be filed on Monday in the U.S. District Court seeking a ruling that Mr. Agnew could not be indicted while still in office.

There was no indication of precisely what evidence Mr. George Beall, the Federal prosecutor, had presented to-day. Grand jury proceedings are normally behind closed doors, and in the present case exceptional security precautions are being taken

Although the Baltimore authorities refused even to reveal which witnesses were heard to-day, Vice-President Agnew was not present but sat silently during a meeting in the White House of Republican congressional leaders and members of the Cabinet, with President Nixon in the chair. Mr. Gerald Warren, the White House spokesman, said Mr. Agnew's affairs had not been discussed.

However, public and Press reactions to the dramatic developments of the past few days have been heavily critical of the way the Vice-President is handling his predicament.

When news of the Federal investigation of his affairs was first revealed early last month, Mr. Agnew's dignified reaction and statement that he had full confidence in the American system of criminal justice earned him considerable respect.

In the past few days, however, Mr. Agnew seems to have lost much of this sympathy by appearing willing to use any or every legal device open to him in order to hold up the process he earlier said he would co-operate with.

If his lawyers do eventually seek an injunction to stop the grand jury hearings on constitutional grounds, as they announced last week-end that they would, there would undoubtedly be an appeal by the Justice Department, with subsequent appeals all the way up to the Supreme Court.

A similar result would follow the other tactic Mr. Agnew's lawyers said they were contemplating, a motion to stop the proceedings on the grounds that Press publicity had made it impossible for any grand jury to hear the case on its merits. Mr. Agnew himself used the same argument in his letter to the Speaker asking the House to set up a special committee

ON OTHER PAGES

Barber's prediction

Sterling: No re-peg likely before July

BY PAUL LEWIS

NAIROBI, Sept. 27.

MR. ANTHONY BARBER, Chancellor of the Exchequer, is understood to have told Common Market Minister here this week that Britain's balance of payments difficulties are unlikely to permit the Government to repeg sterling or re-enter the Community "snake" before July of next year.

This prediction does not appear to have alarmed or surprised his Common Market colleagues, however, who are increasingly aware of the depth of Britain's economic difficulties and increasingly sceptical about the real prospects for any substantial progress on monetary union in Europe.

This afternoon, Herr Helmut Schmidt, West German Finance Minister, said bluntly that it was "mere shadow boxing" to talk of moving to the second stage of the Community's monetary union scheme next January as planned.

While steps might be taken to maintain an illusion of progress, the Community could no longer disguise its failure to make the progress hoped for during the first stage of the exercise and the most to be expected next year was "a sort of Stage One A."

Gold deals

While pessimistic about the prospects for Common Market union, Herr Schmidt remained convinced that it would be possible to reach full agreement on reforming the international monetary system by the July deadline the Ministers have set themselves for next year.

He went on, however, to underscore his differences with the U.S. over the details of the reform by saying that he favoured very tight convertibility rules and the resumption of central bank gold transactions at market-related prices.

Although the Italian Central Bank Governor said yesterday that gold must be unfrozen as a reserve asset by allowing central banks to settle in it at a price nearer the free market level, this is the first time any Common Market Minister has formally endorsed the idea in public.

Herr Schmidt suggested abolishing the official price of gold altogether and leaving central banks free to determine their own value for monetary transaction, as well as to buy and sell gold in the free market.

Meanwhile, the deputies of the Committee of Twenty agreed this afternoon to create four new working groups to study particular aspects of the reform over the coming weeks in preparation of the next committee meeting in January.

They will deal with the adjustment process, convertibility and multicurrency intervention techniques, consolidation and aid to the developing world.

The IMF Executive Board is to study other problems including the valuation and role of Special Drawing Rights as the pivot of the system.

It seems likely, however, that the Common Market countries will take action themselves on the valuation of gold and other primary assets, like SDRs, before the Committee of Twenty has reached any agreement.

The committee holds its next plenary session in January, but to-day Dr. Emminger of the German Bundesbank predicted that by November the Common Market countries would have devised a scheme of their own that would enable them to deal with the present anomolies in the valuation of SDRs and gold.

Although the members of the Community "snake" are supposed to settle intervention debts in proportion to the composition of their reserves, the high free market price of gold and the dollar's most recent slide have made them unwilling to sell primary assets at their currency valuation.

This afternoon, Herr Schmidt said the least difficult part of the problem was to find a way of using gold again. It is likely the Community countries will make transactions at the official price only on the understanding that an adjustment will be made when this is raised closer to the market level.

Loophole

The SDR, however, has no market value and its official value has not kept pace with this year's changes in currency rates.

It appears there is a legal loophole in the Fund's rules which would enable Common Market countries to transfer assets at a rate different from the official parity.

The French and the Germans, however, would prefer to cut the official link between the Special Drawing Right and the U.S. dollar, a move which would require the approval of the executive board of the Fund. However, the U.S. is afraid that such a decision might undermine confidence in the dollar.

The Peking Government has applied for membership of the International Monetary Fund and the World Bank, it was learned here to-day.

£ in New York

—	September 27	Previous
Spot	$2.4187-4193	$2.4235-4240
1 month	0.85-0.80 dis	1.04-0.99 dis
3 months	2.71-2.65 dis	2.91-2.86 dis
12 months	9.15-9.05 dis	9.35-9.25 dis

NEWS SUMMARY

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...land ...nands ...move ...vy'

...s threatened to break ...matic relations with ...less all naval vessels ...oats are withdrawn ...50-mile fishing limit ...Wednesday.

...er the ultimatum the ...itby and the Icelandic Thor were in collision. ...reign Office disclosed ... that Mr. Heath had a "truce" in the dis... Wednesday, in a ...sent to Mr. Olafur ...on, the Iceland Prime ... He had sought to a "modus vivendi" ...ch Britain would with... naval vessels from the ...ishing area on condi... British trawlers in the ...l not be harassed.

...our bid ...ave split

...rty leadership is trying ... a clash between its ... Right wings over the ...ial issue of the ...tion of 25 major com... ...eaders are anxious to ... issue splitting next ...rty conference. The ...abinet is thought to ...red a policy document ...es excluding the state ... proposal.

...lec for ...ow

... Douglas-Home, the ...ecretary, has accepted ...on from Mr. Gromyko, ... Foreign Minister, to ...ow. He hopes to go ... end of the year. Page 6

...brings her London

...was given at the Royal ...esterday of the exhibi... ...hinese art, which Mr. ...ll open to-day. The ...cs Marina Vaizey, has ...ualities of mystery of ...n's Cave. Among the ... the funeral jade suit ...s Tou Wan. Page 3

...fire bombs

...ndiary devices were ... two shops at Welwyn ...ity. Police cordoned ...a, moved people living ...d called in the Bomb

...idou shock

... Pompidou indicated he ...d for a second term in ... was persuaded to do ...aid, "by the eagerness ...to succeed him" — an ...eference to the presi... ...bitions of his Finance ... M. Valery Giscard ... Page 6, Editorial Page 24

...talks hope

...ial Democratic and ... Party, after earlier ..., has now called for ...y talks among the ... Ireland moderate ...arties on the formation ...ier executive. Page 14

...n the move

... in Cwmamman, near ... South Wales, moved ...eir homes as police ... mine tip was sliding.

...stops golf

...e second round of the ...er Golf at Turnberry, ... was suspended yester... ...se of a gale.

...y ...

...ealth crown of 1684 ... £700 at Glendinings.

...1, 65, the comedian, ...debts of £10,278 mainly ... to a creditors' meet... ...ndon.

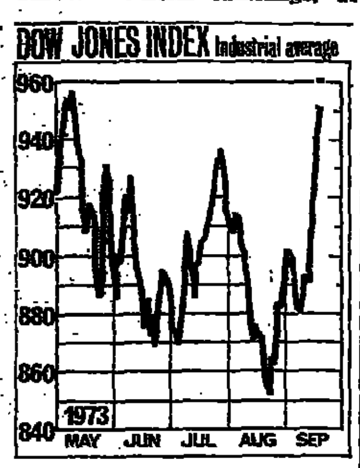
... Taverne MP (Demo... ...ar, Lincoln) launched ...paign for Social ... in London. Page 14

...aunched a two-man ... Page 6

BUSINESS

Wall St. passes the 950 mark

● EQUITIES steadied as investors awaited the outcome of the TUC-Government talks on Phase Three. Official markings, at



6,804, were slightly below those on Wednesday, and the FT 30-Share Index moved within a narrow range to close at 428.4, up 0.1.

● GILTS were subdued with most shorts easing 1/16 while the market awaited to-day's entry of the new short tap Stock, Treasury 10½ per cent., 1976.

● GOLD lost 75c to $101.25 an ounce.

● STERLING weighted depreciation from Smithsonian parities remained at 19.49. Against the dollar, the pound lost 40 points to $2.4195.

● WALL STREET closed 3.77 up at 953.27.

● PLANS to put on a secure footing Norton Villiers Triumph motor cycle operations were announced yesterday against the background of a £500,000 loss since mid-July when the new company took over. Back Page

● AIRLINES are planning transatlantic fare increases averaging 6½ per cent. to apply from January 1.

● GRENDON TRUST, the property and industrial company, is to receive a £20m. takeover bid arranged by the private interests of 28-year-old millionaire Mr. Christopher Selmes. Back Page

● AN INSTITUTE of Fiscal Studies publication recommends abandoning estate duty in favour of accessions tax, levied at rates determined by the size of a legacy and not the size of the estate. Page 16

● NEWSPAPER proprietors and four printing unions reached agreement on the threshold pay problem. Page 25

● THE INDUSTRIAL dispute which has halted film processing at Kodak's Hemel Hempstead plant remained deadlocked yesterday. Page 25 and feature Page 13

● PRICE COMMISSION announced that *a subsidiary* of Lamson Industries exceeded its Phase Two profit levels and has agreed to cut some prices by 5 per cent. Back Page

● EXXON Corporation of the U.S. threatens to sue unauthorised buyers of oil from its nationalised Libyan concessions. Page 8

● BRITAIN is to lend Mauritius £5m., interest-free, over 25 years for irrigation and public works.

● BARCLAYS BANK International has negotiated a £4m. line of credit for Poland to buy British capital goods. problem. Page 25

● THE FINANCE HOUSE base lending rate for October, due out to-day, is likely to rise above the present record 12 per cent. Page 25

● CADBURY SCHWEPPES pre-tax profits for 24 weeks to June 16 were £13.64m. (£10.55m.). Page 29 and Lex

● GEORGE WIMPEY more than doubled first half pre-tax profits —from £5.5m. to £12.8m. Page 28 and Lex

● THOMSON Organisation half-year taxable profits advanced from £3.33m. to £5.47m. Page 29

PRICE CHANGES

(...pence unless otherwise indicated)

RISES

...	268	+ 15
...	125	+ 4
...otels	206	+ 13
...e	166	+ 6
... Ferries	144	+ 6½
... Estates	176	+ 5
...	364	+ 6
... Trust	300	+ 6
...	180	+ 10
...	85	+ 5
... and Gibson	283	+ 6
... "A"	348	+ 8
...	81½	+ 7½
...e Bros.	80½	+ 3
... and J.)	92	+ 5
...ank	364	+ 10
...	119	+ 5
...urance	328	+ 6
St. Martin's Prop.	197	+ 8
Tate and Lyle	176	+ 4
Torn Consulate	59	+ 5
Wigfall (H.)	300	+ 20
Wimpey (G.)	116	+ 10
Emperor Mines	193	+ 10
Selection Trust	385	+ 15
Tanganyika Con.	227	+ 5
Western Hldgs.	£19	+ ¼

FALLS

Treasury 9pc 1978	£91⅞	— ¼
Channel Tunnel	160	— 8
Collins (Wm.) "A"	183	— 7
Matthews (B.)	130	— 22
Petbow	82	— 8
Thomson Org.	211	— 3
Tunnel Cement "B"	203	— 11
United Newspapers	348	— 7
Shell Transport	373	— 4
Durban Deep	580	— 20
Palabora	530	— 20
Rand Selection	730	— 10
Zandpan	160	— 8

(FT stock indices and FT-Actuaries summary Page 43.)

Letters to the Editor

BRACKEN HOUSE, CANNON STREET, LONDON, EC4P 4BY

Supply of entrepreneurs

Sir,—Like Mr. E. G. Wood (September 20), I extend my congratulations to your correspondent Michael Dixon (September 15) for airing the issue of factors governing the supply of entrepreneurs in our society. I know that Mr. Wood has himself devoted a lot of his energies to assisting small firms with their problems and this too is very commendable.

In his letter, Mr. Wood referred to the Bolton Committee research report, "Attitude and Motivation," by C. W. Golby and G. Johns. This was indeed a useful and interesting publication and is examined in my own book, "Management Motivation in the Smaller Business" (co-authored with James Curran). However, of necessity, the Bolton Committee gathered their data largely from survey questionnaires (with low response rates) supplemented by limited interviews with small businessmen.

The work which I carried out on entrepreneurial motivation for a Doctoral Thesis (and which subsequently acted as the basis for the book) was based on a three-year intensive programme of study in a sample of small firms. It began before the Bolton Committee was formed and was completed before their final report was published. However, "Management Motivation in the Smaller Business" (which I hope Mr. Wood will read) was only published very recently. This being the case, there was time to further develop the material and ideas which my own research threw up and also to integrate an examination of the findings of Bolton and others.

The Bolton report, in fact, says little on the attitudes and motivation of small businessmen that had not already been put to writing in more detail though the latter had American origins and still required to be tested over here.

The published work of James Curran and myself is based not only on interviews with entrepreneurs but also a detailed study of their behaviour and their firms in general over an extended period of time. It is only on the basis of work such as this that material on entrepreneurial motivation leadership styles, business ideologies, problems of growth and unionisation, etc., can be fitted into an overall model of motivation. For, let's not forget, entry into business alone isn't the end of the motivation question. The patterns of attitudes and behaviour which go to make up the smaller business are not only intricate in themselves but are likely to change over time.

Mr. Wood, like myself, has a history of management consultancy experience in small firms. While, on this basis, we might like to think we know all about small firms, our knowledge can be made use of by others only if it is published or conveyed in some other suitable fashion.

Published material on small firms is still very sparse and much of it rather superficial. One particular area in which our knowledge is most lacking is that of the small-firm worker. It is with this in mind that James Curran is currently conducting a three-year investigation into the attitudes and motivation of workers in small firms.

J. Stanworth.
Polytechnic of Central London,
35, Marylebone Road,
London, N.W.1.

Development aid

Sir,—It may interest Lord Grantchester (September 19) and others of his pro-development aid school of thought to reflect that, if the world's existing stocks of monetary gold had been liquidated at the official (not the ruling free market) price a year earlier and the proceeds invested at "only" 8½ per cent., the interest would have comfortably financed the World Bank group's record $3,555m. of assistance to the developing countries during the year ended June 30 last.

Moreover, it would have continued to accrue in the current year—when no doubt he hopes to see such (including private) disbursements increase further—and for as long as governments preferred to hold their (already vast) reserves in interest-earning assets.

Conversely, those who disagree with him may like to add the present arrangements to their "disturbing evidence" of a misallocation of resources on a global scale!

W. Grey.
12, Arden Road,
Finchley, London, N.3.

The transfer of land

Sir,—Following the publication of my letter (September 18) concerning Transfers of Land I had to withstand a brutal verbal bombardment from an eminent City solicitor. The poor chap did not, apparently, realise that my daily business concerns buying, selling, and otherwise disposing of interests in land, and, more to the point, having to inform anguished vendors that purchaser X has withdrawn his offer.

It appears from the letter submited by David Green (September 24) that he also missed the point I was making. I was simply trying to clarify the anomalous position whereby vendors mistakenly believe that they have sold their property because they have them "under offer" or sold "subject to contract."

Time and time again, these vendors are disappointed when a day, or even three months, later the purchaser for one reason or another has to withdraw his offer.

Now, I contend that if it is made absolutely clear in the early stages that the purchaser is interested, but is only able to register a non-binding "interest" at this stage, the vendor will not get unduly excited but will realise that his purchaser can only advance the matter to the best of his ability and also at the speed and efficiency offered by his professional advisers.

If there is more than one, non-binding but genuine, interest registered in the property, the whole system can only become more efficient, that is "Where there's a will, there's a way" and where two or more parties are "after the same property, the most efficiently organised purchaser will secure it.

Peter J. Gerdes,
Vale Road,
Tunbridge Wells, Kent.

EEC monetary policy

Sir,—While it is not unusual for C. Gordon Tether and I to differ on fundamentals, I feel that I cannot let to-day's article (September 21) slating of that popular whipping-boy, European Monetary Union, pass without redressing the balance a little.

The object of the EEC monetary policy is indeed to create an economic region so closely integrated that it will be able to operate on the basis of a single monetary unit. It was not intended that, with blazing fanfare on January 1, we should all instantly convert to a tight currency unity, so that in ten years' time nine signatures on a paper would bring about the single currency. Thankfully the modern politician is more sceptical of the economist than latterly, and economic theory has been used sparingly in deference to a realistic approach to a modern problem which emphatically needs solving.

To this end the "snake" is offered as a guideline, and EEC countries now have the first-ever practical exercise in managing their economies with a very exacting aim in mind: that of stabilising similarly monetarily around a strong trade base. It follows that first attempts at directional economic management are of necessity "hit-and-miss" affairs, for there is no easy solution waiting to be discovered, and it devolves upon each member to adjust as best it may with and within the experience of the group.

With progress towards the establishment of the trade base, a very much more tangible problem and therefore more easily argued out to agreement, the influences of national policy decisions will be seen to affect the other members of the Community, thus highlighting problem points and magnifying the rebalancing efforts of each country. This is inevitably a snowball effect, and if the first few pieces slip in relation to one another then a mutually-acquired binding will help hold them in place as they gather momentum.

Peter Golden.
82, Hillcrest Gardens,
Hinchley Wood,
Esher, Surrey.

Speed limit and accidents

Sir,—In his letter on speed limits (September 24) Mr. A. F. Lilley blames the Minister of Transport for the deaths of hundreds of motorists because the majority are restricted to "the lower speed bands within which 90 per cent. of fatal casualties on our roads occur."

Since over 90 per cent. of all road accidents also involve drivers who are *not* drunk, should he not also have blamed the Minister for allowing so many sober drivers on the road. The statistical case is clear. We should encourage all drivers to be as drunken as possible and to avoid "the lower speed bands."

T. G. R. Lawrence.
Whitethorn,
Collinswood Road,
Farnham Common, Bucks.

"You cannot stop here"

Sir,—Last week at London Airport Terminal I and three other passengers drew up in a chauffeured car. We alighted immediately to be faced by a large lady traffic warden with waiting arms and literally shouting within one foot of my face, "Come on, come on, you cannot stop here."

The chauffeur, poor man, was delayed only by his shared astonishment with ourselves and still but for five or six seconds from stop to start before he drove off.

May I ask who is responsible for the training and subsequent instructions to these very rude, almost violent, certainly power drunk individuals. Can anyone suggest what should be done in circumstances such as this described?

H. Woolf.
The White House,
Oakhill Avenue, London, N.W.3.

Energy supplies

The private landlord

Sir,—The letter of Mr. J. M. Atkins in your edition of September 17 concerning the private landlord prompts me to write about a somewhat related situation illustrating the inequities of the present Fair (?) Rent laws in the United Kingdom.

A friend of mine recently inherited a cottage in south-west England. The cottage was leased to a tenant at £200 per year for a term of years, which term ended shortly after her inheritance. The cottage was appraised at £11,000 in the probate proceedings.

In the last six months, my friend has had to spend nearly £3,000 (plus VAT) for thatching the roof of the cottage, putting a new roof on the barn, repairing the electrical installations, etc.

Many other expenditures will be required. Naturally, the tenant is holding over pursuant to law at £200 per year and the estate agents managing the property are *hopeful* of obtaining an increase in the rent to £500 per year from the local Rent Board.

The increase of the rent to £500 per year, if obtained, would represent a return of less than 4 per cent. per year on the value of the property and the expenditures required to date. To maintain the cottage in a fair state of repair (outside painting, etc.) will require an estimated £150 per year—further reducing the return on my friend's capital investment.

I agree with Mr. Atkins that this situation is "nothing less than robbery." "Fair Rent" for the property should be at least the return which its capital cost (not appreciated value) could bring from an investment in a building and loan society.

David E. Pitcher, Jr.
One Chase Manhattan Plaza,
New York, N.Y. 10005.

A multi-racial society

Sir,—Mr. Marlow, who writes apparently on behalf of the native British (September 24), rejecting a multi-racial Britain, will have to accept that *one* fellow citizen democratically dissents. Having passed "O" Level History some 20 years ago, I am aware that I am liable to have at least one of the following non-indigenous bloods in my veins: Roman (from any part of the Empire), Jewish, Danish, Saxon, Norman, French, Spanish, Flemish, German or Dutch.

Mr. Marlow is also at risk. His children might be half Czech, Hungarian, Polish or Russian, to name a few of the European possibilities.

If future generations of Britons have similarly mixed blood in their veins, it will be for the same reason that caused those of us born to date: at least some of the native-born (as at present constituted) will not have objected to association with aliens who may add different skin pigment and bone structure to their predecessors' cultural variety.

Sheila Malham.
1 St. Andrew's Court,
Waynflete Street,
Earlsfield, S.W.18.

World energy supplies

Sir,—In your issue of September 20 you report the remarks of Mr. Peter Walker to your conference on world energy supplies. One gathers that he was optimistic and that he felt the only certain thing about future estimates was that they would be wrong. The implication is presumably that one should do whatever one wishes without a care to the future, since if one does try to take such care one is sure to get it wrong. (I appreciate that, not having been at the conference, I may well have read more than Mr. Walker intended into your report of his remarks.) This policy is, of course, as old as history but it is particularly associated with the late Mr. Micawber, who experienced some of its disadvantages.

Before Mr. Walker bases policy decisions on the view that Mr. Warman, and those who think like him, are mistaken, he should look carefully at their forecasts and at their record of success to date: he may find the result of this examination rather uncomfortable. If the Warman forecasts are right and the Government persists in treating them as absurdly pessimistic, a difficult challenge will be turned into a national disaster.

D. C. Leslie.
Queen Mary College,
University of London,
Mile End Road, London, E.1.

World monetary system

Sir,—From the Nairobi meeting of the International Monetary Fund, Ian Davidson reports (September 25) the failure of its Committee of 20 formally to agree upon and approve a new international monetary system. But surely it is time to expose that sham. It disserves the financial community by arousing impossible expectations among the general public.

Officials and experts of the Committee of 20 have been designing a "symmetrical" monetary system for a more ideal, peaceful planet than this Earth where you and I must live. The primary effect of such a system would be to restrain the United States (and all other member nations) from excessive spending abroad not only for aid and investment, but also for wars. Peaceniks everywhere will rejoice. They have always been prone to wishful thinking.

For more than a quarter-century, Europe and Japan have assumed as a God-given right that the United States would for ever provide for their defence. Europeans and Japanese alike suffer acute withdrawal symptoms whenever Senator Mansfield recommends cutting their dosage of American forces stationed abroad. If the United States must continue those excessive defence expenditures in Europe and in the Far East, the international monetary system must remain asymmetrical. If Europeans will not pay the full costs of their own defence, they must accept an inconvertible American paper dollar as their primary reserve asset. The only alternative is a dollar so undervalued (and consequent American trade surpluses so huge and consistent) that European exporters and American consumers would consider the situation intolerable.

You cannot both have your cake and eat it. That was the American message delivered at Nairobi.

William Wiseley.
"Lyntonfields," Oxford Road,
Woodstock, Oxfordshire.

Bags from plastic tape

Sir,—The necessarily brief item "Bags from Plastic Tape" on the Propytex-Tegard process which appeared in your August 24 issue appears to have misled Mr. Pye (September 18).

With the Propytex-Tegard process—an entirely new manufacturing technique in this field—fabric is woven direct from the extrusion wound bobbin on a newly developed compact flat loom, minimising weft folding and incorporating a continuous reinforced selvedge as an integral part of the body fabric. The process also eliminates the highly folded weft, with its as[sociated] loss of strength and cove[r]age, which results from the p[...] wound package on the shut[tle] looms hitherto employed.

The merits of our shuttle[less] continuous weft flat woven tu[bu]lar fabric versus the continu[ous] weft circular woven fabric s[up]plied by Mr. Pye's company [are] currently being decided in [the] market place.

C. S. Futerman,
Propytex Limited,
Hartlepool.

High mortgag[e] rates

Sir,—With reference to [...] Scott's interesting letter ab[out] mortgage rates, I wonder [if] there is evidence that admi[nis]trative overheads of smal[l] building societies are hig[her] than those of larger ones? [As] he says, virtually every h[igh] street is "littered with branch offices of all the *big* societies." The smaller soci[ety] was probably there first, has [the] advantage of local knowle[dge] and the ability to give decisi[ons] without reference. I would h[ave] expected its administrative c[osts] to be lower proportionately t[han] those of a centralised instituti[on].

Betty Buckland.
2, Hillfield Close,
Redhill, Surrey.

A very small class

Sir,—Far from being prepa[red] for the Common Market, Bri[tish] business seems to be turning [its] back on the opportunities it [offers] for getting ready. As a sm[all] piece of evidence for this, c[on]sider the experience of [a] colleague and myself when [we] turned up for the first lesson [of] a course in commercial Gern[an] at the Polytechnic of Cent[ral] London.

On the face of it, this sho[uld] be crowded out with eager en[tre]preneurs, aiming to sharpen th[eir] attack on the biggest market [in] Europe. At £6 for a one-ye[ar] four-hours-per-week course, i[t is] also one of the best barga[ins] going in language teachin[g], especially since the Polytechn[ic] costs average out at over £11 [an] hour per student.

But as it turned out, the [two] of us were the only stude[nts] registered. Unless more stude[nts] can be found within a week [or] two the course will be cancel[led]. So one small effort towards [im]proving links with the Comm[on] Market will fail through gene[ral] lack of support.

Timothy Johnson.
14, Penn Road, London, N.7.

TV/Radio

† Indicates programme in black and white.

BBC 1

10.00 a.m. For Schools, Colleges. 11.47 International Golf: John Player Classic. †12.55 p.m. Ar 'l Phen Ei Hun. 1.25 News. 1.30 Mary, Mungo and Midge. 1.45 The Fanatics. †2.02 For Schools, Colleges. 2.45 Racing and Golf: Racing from Ascot, and John Player Classic. 4.10 Play School. 4.35 Jackanory. 4.50 The New Adventures of Scooby-Doo. 5.10 The Record Breakers. 5.40 Adventures of Parsley.

5.45 News.
†6.00 Nationwide with Sport on Friday.
6.55 The Friday Western: "Best Of The Badmen," starring Robert Ryan.
8.15 Dave Allen at Large.
9.00 Nine O'clock News.
9.25 The Donati Conspiracy.
10.15 A Job in the Common Market.
10.50 Late Night News.
10.55 "The Smugglers" (film made for television).

All Regions as BBC 1 except at the following times:—

Wales—1.30-1.45 p.m. Ar Lin Mam. 6.00-6.55 Wales To-day. 6.55-7.15 Heddiw. 7.15-7.45 Oh Father! 7.45-8.15 Wy Ceiliog (Welsh play). †12.32 a.m. News of Wales.

Scotland—6.00-6.55 p.m. Reporting Scotland. 12.32 a.m. Scottish News Headlines.

Northern Ireland—6.00-6.45 p.m. Scene Around Six. 6.45-7.00 Arena. †12.32 a.m. Northern Ireland News Headlines.

England—†6.00-6.55 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth). †12.32 a.m. Regional News Headlines.

BBC 2

11.00 a.m. Play School.
4.10 p.m. International Golf: John Player Classic.
†5.25 Open University.
7.30 News Summary.
7.35 Gardeners' World.
8.15 Fix or Flounder On?: discussion on international exchange rate problems.
9.00 World Cinema: Robert Bresson: "Une Femme Douce," starring Dominique Sanda.
10.25 Edition.
11.00 News Extra.
11.30 Golf: John Player Classic highlights.

LONDON

9.30 a.m. Schools Programmes. 12.05 p.m. Mr. Trimble. 12.25 Dawson's Funny Old Farm. 12.40 First Report: News with Robert Kee, FT index. 1.00 Cuckoo in the Nest. 1.30 Crown Court. 2.00 General Hospital. 2.30 Good Afternoon! 3.00 The Name of the Game. 4.20 Ace of Wands. 4.50 Magpie. 5.20 I Dream of Jeannie.

5.50 News from ITN.
6.00 The Shadoks, followed by To-day.
6.35 Crossroads.
7.00 The Protectors.
7.30 Bowler.
8.00 The FBI.
9.00 Helen—a Woman of To-day.
10.00 News at Ten.
10.30 Police Five.
10.40 Russell Harty Plus.
†11.30 The Friday Film: "No Place For Jennifer," starring Leo Genn, Rosamund John and Janette Scott.
1.00 a.m. Archbishop Roberts with Hugh Kay.

All ITV Regions as London except at the following times:—

ANGLIA

2.30 p.m. About Women. †3.00 "Green Fingers," starring Robert Beatty. 4.25 The Romper Room. 5.20 Ace of Wands. 6.00 About Anglia. 7.00 Glamour Final. 8.00 The Best of "Father Dear Father." 8.30 Romany Jones. 10.30 The Brian Connell Interviews: Vic Feather. 11.00 "Fanatic," starring Tallulah Bankhead. 12.40 a.m. Your Choice.

ATV MIDLANDS

3.00 p.m. The Afternoon Feature Film: "At Sword's Point," starring Cornel Wild, Maureen O'Hara and Gladys Cooper. 5.20 The Flintstones. 6.00 ATV Today including Sports Report. 7.00 The Protectors. 7.30 Romany Jones. 8.00 Hawaii Five-O. †10.30 Hitchcock Movie: "The Paradine Case," starring Gregory Peck, Ann Todd and Charles Laughton.

BORDER

3.00 p.m. Doing Things. 3.25 Danger Man. 5.20 The Doris Day Show. 6.00 Border News and Lookaround. 7.00 The Sky's the Limit. 7.30 Romany Jones. †10.30 Late Night Movie: "The Frozen Dead," starring Dana Andrews. †12.20 a.m. Border News Summary.

CHANNEL

12.55 p.m. Channel News Headlines. 2.30 Yoga for Health. 3.00 The Friday Matinee: "Calculated Risk." 5.20 The Sandy Duncan Show. 6.00 Report at Six. 7.00 The Adventurer. 7.30 Romany Jones. 8.00 The Streets of San Francisco. 10.35 The Horror Film: "The Black Torment." 12.05 a.m. News and Weather in French.

GRAMPIAN

12.00 Mid-day Round-up. 3.00 p.m. Friday Matinee: "Charge of the Lancers" starring Paulette Goddard. 5.20 Pretenders. 6.00 Grampian News. 6.05 Grampian Week. 7.00 Calum's Ceilidh. 7.30 Romany Jones. 8.00 Kung Fu. 10.30 Job Look. †10.35 Late Movie: "Pimpernel Smith" starring Leslie Howard followed by Road Report. 12.40 a.m. Meditation.

GRANADA

3.00 p.m. Galloping Gourmet. 3.25 The Big Valley. 5.15 The Partridge Family. 6.00 Northern News. 6.05 Sylvester. 6.15 The Courtship of Eddie's Father. 6.45 The Action Film: "Jason and the Argonauts." 8.25 Romany Jones. 10.30 Kick Off. 11.00 Late Night Film: "Blood Kin" starring James Coburn. 12.55 a.m. The FBI.

HTV

1.00 p.m. Let Them Live. 2.30 Women Only. 3.00 Friday Matinee: "At Sword's Point" starring Cornel Wilde and Maureen O'Hara. 5.20 Daily Fable. 5.25 Crossroads. 6.01 Report West. 6.18 Report Wales. 6.35 The Merrie Melodies Show. 7.05 Bonanza. 8.00 Hawaii Five-O. 10.30 No More Mines in the Meadow. †11.00 "A House Is Not A Home" starring Shelley Winters, Robert Taylor, Cesar Romero and Broderick Crawford.

SCOTTISH

2.30 p.m. Housecall. 3.00 Shirley's World. 3.30 Theatre of Stars. 5.20 Callimero. 5.25 Crossroads. 6.00 Scotland Today. 6.30 TV Movie: "The Last Child" starring Van Heflin. 10.30 A Touch of Jazz. 11.00 Late Call. 11.05 Adult Movie: "That Certain Summer" starring Hope Lange.

SOUTHERN

2.30 p.m. Women Only. 3.00 Love American Style. 5.20 Cartoon. 5.25 Crossroads. 6.00 Day by Day (Channels 6, 11, 27, 42, 58 and 60). 6.00 Scene South East (Channels 10, 43, 64 and 66 only). 6.40 Out of Town. 7.10 The Sky's The Limit. 7.40 TV Movie of the Week: "Run, Simon Run" starring Burt Reynolds. 10.30 Weekend. 10.35 The Late Friday Film: "The Haunted Palace" starring Vincent Price. 12.20 a.m. Southern News Extra.

TYNE TEES

9.20 a.m. In Times Like These. 2.30 p.m. Yoga for Health. 3.00 Doing Things. †3.30 Danger Man. 5.20 The Flintstones. 6.00 To-day at Six. 7.00 The Sky's the Limit. 7.30 Romany Jones. 8.00 Hawaii Five-O. †10.30 The Late, Late Movie: "The Long, The Short And The Tall," starring Richard Todd. 12.10 a.m. Night Gallery. 12.35 North-East News Headlines. 12.40 Lectern.

ULSTER

†12.50 p.m. Ulster News Headlines. †3.00 Friday Matinee: "The Fake," starring Dennis O'Keefe. †4.13 Ulster News Headlines. 5.20 Dr. Simon Locke. 6.00 UTV Reports. 7.00 Wait 'Till Your Father Gets Home. 7.30 Hawaii Five-O. 8.30 Romany Jones. 10.30 Spectrum. 11.00 Friday's Film: "Dracula," starring Peter Cushing and Christopher Lee.

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 12.30 Westward News Headlines. 2.30 Yoga for Health. †3.00 The Friday Matinee: "Calculated Risk," starring William Lucas. 5.20 The Sandy Duncan Show. 6.00 Westward Diary. 6.25 Sports Desk. 7.00 The Adventurer. 7.30 Romany Jones. 8.00 The Streets of San Francisco. 10.32 Westward Late News. †10.35 The Horror Film: "The Black Torment," starring John Turner. 12.05 a.m. Faith For Life.

YORKSHIRE

3.00 p.m. How to Make a Brass Rubbing. †3.30 Danger Man. 5.20 The Flintstones. 6.00 Calendar. 7.00 The Sky's The Limit. 7.30 Romany Jones. 8.00 McCloud. †10.30 The Friday Night Film: "The Long and the Short and the Tall," starring Richard Todd, Richard Harris and Laurence Harvey. 12.15 a.m. Adam 12.

RADIO 1 247m

(S) Stereophonic Broadcast

Time, traffic, and News summaries at 5.00 a.m., 5.30, 6.00, 6.30, then every hour on the half-hour until 6.30 p.m., 7.00, 8.00, 9.00, 11.00, 12 midnight, 1.00 a.m., 2.00. Weather at 5.02 a.m., 5.32, 6.02, 6.32, 7.32, 8.32, 6.32 p.m., 2.02 a.m.

5.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Dave Lee Travis including 12.30 p.m. Newsbeat. 2.00 David Hamilton. 5.00 Rosko's Round Table including 5.30 Newsbeat. 7.00 As Radio 2. 10.00 Sounds of the 70s: Sequence (S) also on VHF. 12.00-2.02 a.m. As Radio 2.

RADIO 2 1,500m and VHF

Time, traffic and News summaries at 5.00 a.m., 5.30, 6.00, 6.30 (VHF and 247m), 7.00, 7.30, 8.00, then every hour on the hour until 3.00 p.m., 4.00, 5.00, 5.30, 6.00, 6.30, 7.00, 8.00, 9.00, 10.00 (1,500m), 11.00, 12 midnight, 1.00 a.m., 2.00. Weather at 5.2 a.m., 5.32, 6.2, 6.32 (VHF and 247m), 7.02, 7.32, 8.02, 9.02, 12.15 p.m., 5.32, 6.15, 6.32, 2.02 a.m.

5.00 a.m. News Summary. 5.02 Barry Alldis with The Early Show including 6.15 Pause for Thought (S). 7.02 Terry Wogan (S) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S) including 1.02 Golf: John Player Classic. 1.30 p.m. Joe Henderson (S) including 1.45 Sports Desk. 2.02 Golf report on John Player Classic and 2.45 Sports Desk. 3.02-5.00 John Dunn (S) including Golf reports, Racing from Ascot. 3.45 Sports Desk. 4.15 Waggoners' Walk. 4.45 Sports Desk. 5.02 Golf report. 5.05 Tony Brandon (S) including 5.45 Sports Desk and 6.02 Golf report. 6.50 Sports Desk. 7.02 The Clitheroe Kid Himself (tribute to Jimmy Clitheroe). 7.30 As You Were. 8.02 BBC Concert Orchestra (S): 21st Birthday Concert direct from the Festival Hall, London, part 1. 8.45 Behind the Scenes: Peter Latham talks to some Concert Orchestra personalities. 9.00 21st Birthday Concert, part 2. 10.02 Late Night Extra 1500m (202m in Scotland) including at 10.15 Sports Desk. 12.00 Midnight Newsroom. 12.05 a.m. Night Ride (S). 2.00 News Summary.

RADIO 3 464m, Stereo & VHF

7.00 a.m. News. 7.05 Overture: Schumann, Tchaikovsky, Dvorak (S). 8.00 News. 8.05 Morning Concert: Mozart, Haydn (S). 9.00 News. 9.05 This Week's Composer: Byrd (S). 9.50 Redcliffe Concert of British Music (S): part 1, Purcell, Peter Maxwell Davies. 10.20 Samuel Wesley and his Music (talk). 10.40 Redcliffe Concert part 2, Samuel Wesley. 11.50 Recital (S). 12.20 p.m. Midday Prom Concert, part 1: Weber, Strauss (S). 1.00 News. 1.05 Playbill (S). 1.20 Midday Prom, part 2: Debussy, Schubert (S). 2.05 Bamboo Bamboo. 2.50 Concert Club (S). 3.45 Orpheus Britannicus: Leighton, Ireland, Bliss (S). 5.15 Jazz Workshop (S). 5.45 Homeward Bound (medium wave only). 6.05 News. 6.10 Homeward Bound (continued) (medium wave only). 6.30-7.30 Study on 3 (medium wave only). 7.30 Le Bourgeois Gentilhomme: Strauss's complete incidental music to the play by Moliere (S). 8.45 The Chinese Exhibition. 9.05 Additions by Mozart (S). 9.55 Axolotl: story by Julio Cortazar. 10.20 Beethoven piano recital (S). 11.05 Fauré and Duruflé (S). 11.55 News.

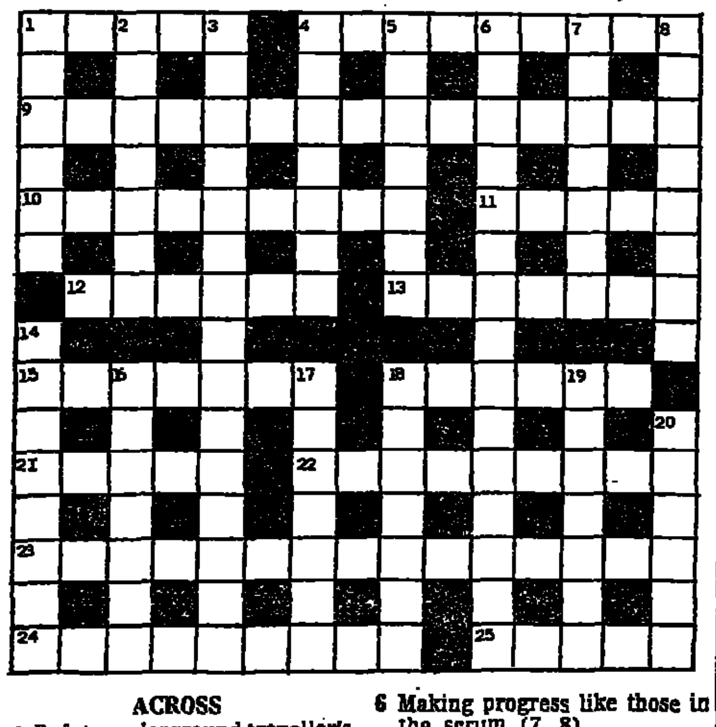
RADIO 4

434m, 330m, 285m and VHF

6.25 a.m. News. 6.27 Farming Today. 6.45 Prayer for the Day. 6.50-8.45 Today. 6.50 Travel News, What's On and Keep Fit (medium wave only). 6.55 Weather, programme news. 7.00 News and more of Today including 7.25 Sports Desk and 7.35 Today's Papers. 7.45 Thought for the Day. 7.50 Travel News (medium wave only). 7.55 Weather, programme news. 8.00 News and more of Today including 8.25 Sports Desk and 8.35 Today's Papers. 8.45 Yuki. 9.00 News. 9.05 Friday Call: 01-580 4411, Hospitals. 10.00 News (medium wave only). 10.05 Checkpoint (medium wave only). 10.30 Daily Service. 10.45 Morning Story (medium wave only). 11.00 News (medium wave only). 11.05 If You Think You've Got Problems . . . (medium wave only). 11.50 You Were Saying . . . a lighthearted look at The Night Hours (medium wave only). 12.00 News. 12.02 p.m. You and Yours. 12.27 Twenty Questions. 12.55 Weather, programme news (medium wave only). 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour (medium wave only from 2.00). 2.00-2.02 News. 2.45 Listen with Mother (medium wave only). 3.00 News. 3.05 Afternoon Theatre. 4.00 News. 4.05 Sing of America. 4.35 Story Time: "The Leopard," part 5. 5.00 PM Reports. 5.50 Stock Market Report (medium wave only). 5.55 Weather, programme news. 6.00 News. 6.15 Forces' Chance. 6.45 The Archers. 7.00 News Desk. 7.30 Pick of the Week. 8.30 Twenty-Five Years of "Any Questions?" 9.00 James Stewart reads two Edgar Allan Poe stories. 9.29 Weather. 9.30 The World Tonight. 10.15 A Book at Bedtime: "Angel Pavement," part 3. 10.30 Kaleidoscope. 10.45 Week Ending. 11.00 Hoaxing for Love or Money. 11.15 News. 11.31 Market Trends.

Radio 4 (VHF) for School: 10.00 a.m. to 12.00 and 2.00 p.m. to 3.00.

F.T. CROSSWORD PUZZLE No. 2,286



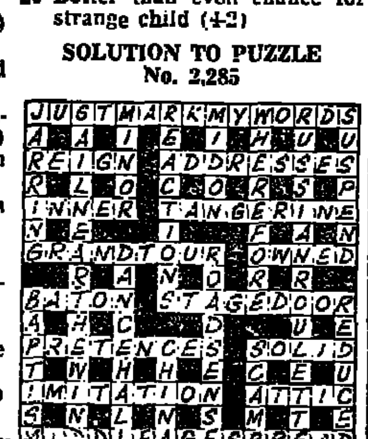
ACROSS

1 Refute underground traveller's return? (5)
4 Receive exercises inside and be willing to learn (9)
9 What one may give for a rating (5, 2, 4, 4)
10 Turned up in Paris and London (9)
11 Colder here in Paris and here in London when he leaves (5)
12 Showered and rained heavily (6)
13 Trifled and was guilty of pettifoggery (7)
15 Crammed and absorbed too much (7)
18 Tied up low revolutionary (6)
21 A uniform colour (5)
22 Missile or warhead designed long ago (9)
23 In the driver's seat controlling the horsepower (7, 3, 5)
24 Trees showing signs of strain (9)
25 Fiend using South African whip (5)

DOWN

1 Give an account of the explosion (6)
2 Whisper to inspire (7)
3 What must be laid out before dying? (3, 4, 2, 6)
4 Declined to give rubbish to dustman initially (7)
5 Business anxiety (7)
6 Making progress like those in the scrum (7, 8)
7 Beginning to endorse an important letter (7)
8 Part of the yield or a donation in a place of wealth (8)
14 Reserves dance where there are volumes to choose from (8)
16 Made possible and skilful in the end (7)
17 Pull broken leg and soil (7)
18 He's to follow war-god in swamps (7)
19 Eastern member has one way to make a poet (7)
20 Better than even chance for strange child (4-2)

SOLUTION TO PUZZLE No. 2,285



هكذا من الأصل

Racing

Six of the best

by DARE WIGAN

THE SIX events on to-day's Ascot programme have all been sponsored, and proceeds from the afternoon's racing will go to the British Heart Foundation. For most people, the most interesting feature will be the running of *Parnell* in the Campari Stakes (4.0), for it is reasonable to assume that his performance here will determine whether he takes his chance in the Prix de l'Arc de Triomphe at Longchamp on Sunday week in which he finished ninth last year.

Judged on his victory over the Gold Cup winner, Lassalle, in the Prix Jean Prat early in the season and a sterling, but unlucky run behind Dahlia in the King George VI and Queen Elizabeth Stakes at the end of July, he ought to experience little difficulty in conceding 4lbs. to *Hakodate*. The rain that fell here yesterday will be in his favour.

ASCOT
2.30—Escorial***
3.00—Trillium
3.30—Bamburi
4.00—Parnell
4.35—Old Lucky**
5.10—Radical*

Of the three handicaps on the programme the most difficult to weigh up is the Green Shield Cup (3.30) for three-year-old fillies run over seven furlongs; and, since I have been entrusted to place a £25 bet in aid of the relevant charity, I am particularly anxious to find the winner. It seems to me that *Miss Tweedie* has plenty to do with 9 st. 7 lbs, and I prefer *Via Tritus*, who, following an easy victory at Lingfield last month, ran well when third to Bright Silver and Tudor Rhythm at Kempton on September 1.

There is nothing between *Bamburi* and *Guest Night* judged on their running over the Old Mile on July 27 when they finished first and second ahead of Tuesday's Lingfield winner, Alumina, but I am hoping that *Bamburi* will confirm the placings and win.

Trillium retains his form at the age of seven, and he will have the ground to his liking in the Dry Fly Sherry Handicap (3.00), but whatever beats him, if anything, does, will probably win. *Old Lucky*, who was collared in the closing stages of the William Hill Trophy at Sandown on Saturday, can make amends in the Coltex Handicap (4.35).

It was apparent at the last Newbury meeting that The Queen has a promising filly in the aptly-named *Escorial*, a daughter of Royal Palace and Asturia, who stayed on well over seven furlongs to get the better of Pirogue and Cholita. Seeing that it was her first race improvement may be expected, but she will have to work hard in order to get the better of *Gaily*, an American-bred filly by Sir Gaylord, who cost $120,000 as a yearling and who shaped with promise when runner-up to Heavenly Form at Newbury last month.

Dawlish, *Near Relation*, *Radical* and *Rustic Lad* are a quartet who are likely to provide the winner of the British Heart Foundation Stakes (5.10). I particularly liked the way in which *Radical* performed when a close second to Boldini here in July, and again when he was runner-up to Consoletrix in the Acomb Stakes at York a month later. This colt by Relko will appreciate seven furlongs and I shall be surprised and disappointed if he does not give a good account of himself.

ITV COLOUR FOR 93% OF U.K.

Ninety-three per cent. of the population of the U.K. can now receive good ITV colour pictures, the Independent Broadcasting Authority said yesterday. Since the colour service began in November, 1969, the IBA has opened 101 ultra-high-frequency main transmitters and relays.

The milestone will officially be achieved to-day when the 100th and 101st transmitters are brought into full programme service. They are at Ebbw Vale and Abergavenny, Monmouthshire, and will bring a better HTV Wales picture to an estimated 63,000 viewers in the surrounding valleys.

Events

To-day

BEESTON BOILER, Nottingham. (Chairman, Mr. J. K. Smith.)
BLAKEYS (MALLEABLE CASTIN[GS]), Leeds, 12. (Chairman, Mr. N. N. K[...])
BORDER TELEVISION, Carlisle, [...] (Chairman, Sir John Burgess.)
BRITISH RELAY WIRELESS [AND] TELEVISION, Winchester House, [...] 12.
CANNON STREET INVESTMENTS, [Win]chester House, E.C., 12. (Chairman, Mr. M. H. Despard.)
COOPER (FREDERICK), Hotel Met[ropole], S.W., 12. (Chairman, Mr. F. Cooper.)
CROUCH GROUP, Surbiton, 12. (Chairman, Mr. R. E. Aris.)
DOUGLAS (ROBERT M.) (CONTRACTORS), Birmingham, 12. (Chairman, Mr. R. M. Douglas.)
HALL (W. W.), Connaught Rooms, W[...] 12. (Chairman, Mr. H. W. Hall.)
HAWTHORN BAKER, Dunstable. (Chairman, Mr. H. J. Colman.)
KINTA KELLAS RUBBER ESTATES, Great Tower Street, E.C., 11.30. (Chairman, Mr. P. T. Gunton.)
JAMES (JOHN), Bristol, 12. (Chairman, Mr. J. James.)
LEWSTON INTERNATIONAL, [...] Hotel, W., 11.30. (Chairman, Mr. A. Findlay.)
PRESS TOOLS, Brownhills, 3. (Chairman, Mr. M. B. Barber.)
SMITH (DAVID S.), Kinsley Hotel, W[...] 12. (Chairman, Mr. D. S. Smith.)
VITA-TEX, Slough, 3. (Chairman, S. A. Wessely.)
WEBB (JOSEPH), Dudley, 12. (Chairman, Mr. J. M. Webb.)
WIGGINS (C. S.), Benfleet, 12. (Chairman, Mr. C. C. Wiggins.)

No more TV appearances, says Macmilla[n]

MR. HAROLD MACMILLAN s[aid] yesterday that his much-prai[sed] TV interview shown on BBC-1 [on] Wednesday night was "positiv[ely] my last appearance."

The 79-year-old former Pr[ime] Minister, who this week launc[hed] the sixth and final volume of [his] memoirs, said in London: "I['ll be] 80 soon and I'm looking forw[ard] to getting back home."

Court

The Farm

by MICHAEL COVENEY

ing fast on the heels of l and a new novel, David as now written a play ems almost a re-working 38 piece, *In Celebration*. tter's most dynamic stoked his fire of vengeance on familial of secrecy before veer a totally destructive here young Arthur nervously returns to the h news of an impending to a middle-aged woman and, in the face itening but deviously t disapproval, retreats e scene. His father's val, once he hears of osed liaison, is characly vented in a selfish f reactionary Protestant Arthur has never held job, he has no idea of ing of the word "work," urely witnesses the fury of one who does.

not just timidity that Arthur's retreat; the ty of the dilemma is re- his native attachment ve for the home, and in- s father. He is his darling (Mr. Slattery his wife of having "im- d" their son, just as of *In Celebration* resents tting "immortalisation" other) in a house where oonish sisters in various grudging disintegration in desultory attempts to their femininity. The Wendy, is divorced, child- d sour; Jennifer is cally but unsuccessfully s, while the youngest wages little battles e hearth on behalf of volution." Again we see possible to fairly docu- torey's gift for delineat- ensions of filial relation- and the eagerly ed arrival of young serves to draw them hey are dangerously nt.

r's affection for all the lk and the farm itself tes Frank Grimes's per- e. He is markedly more with the youngest and and from the moment rly, unscheduled arrival over the bicycle of a who has been occupied surreptitious visit to he is resigned to the f his news. The solid, room in which the action esign by Hayden Griffin) rce of physical comfort: when Wendy goes outside to lock up he turns, almost without thinking, to finger a favourite piece of china on the sideboard. For him, as for them all, the house operates a strange pull on their sensibilities. It is thought that Wendy will be content to die there, Brenda suggests with Bronte-like eeriness that to live there is "like living inside a person."

Mr. Slattery himself has declined with age and success. The brave young go-getter, fondly remembered at one point by his loyal but silly wife, has hit the bottle and developed alarming eccentricities. While his daughters waste (for him, women are good only for breeding) they may waste as long as they do so within regular hours and on his own territory. That territory is strewn with hidden whisky bottles, and while he rants drunkenly on about the necessity to re-man the carts and the ploughs, we hear precious little evidence to suggest that his patch is a hive of activity. The family dress to receive Arthur's fiancee, and when they are told that she will not be coming, Slattery confesses what Arthur well knew: he would have offered her a civil welcome.

The play concludes with a harshly lit breakfast scene in which Brenda's boyfriend is welcomed with a bowl of steaming porridge. Director Lindsay Anderson underlines the hypocritical nature of such neighbourly conduct in the light of preceding events by fading out the light in the room until it is concentrated in a cynical, split beam from upstage. Storey's deliberate writing is well served by his director. There are some wonderful moments of complete silence, as when Patricia Healey as Wendy returns, sadly, from her bedroom to drink alone by the dying fire. A dog barks in the distance and the mysterious creakings are mingled with the noise outside before Arthur comes in. As Slattery, Bernard Lee gives the impression of being on the edge of some calamitous, fatal experience and he exudes a rock-like solidity as surely as he does an infuriating wilfulness. This perfect performance is surrounded by fine contributions, too, from Meg Davies and Prunella Gee as Jennifer and Brenda; and their mother is played by Doreen Mantle with an ideally affecting woolliness.

nt Garden

Turandot

GILLIAN WIDDICOMBE

l's arrogant bitch is the boards at Covent 10 years after Amy inaugurated her gaudy id orange costume by eaton. The production emarkably well, however. revived by Charles n.

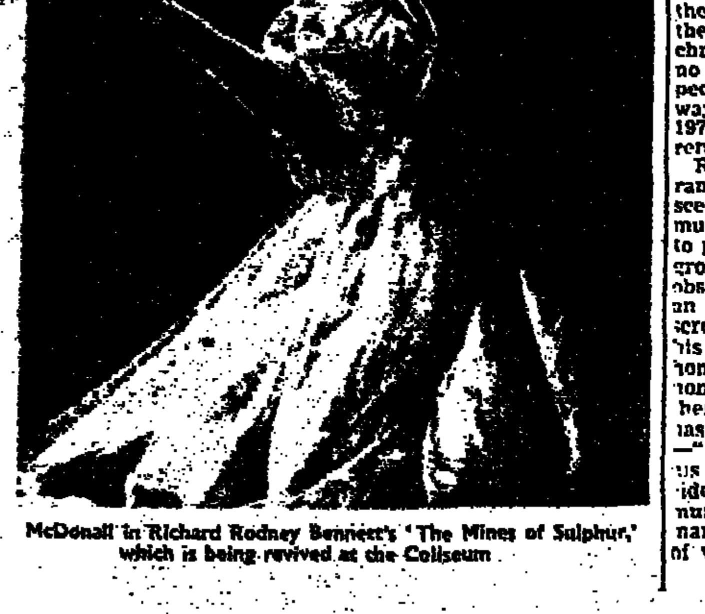
though Miss Shuard's is now almost as unap- ble as Queen Victoria, nds to steam forward ss of the phrasing of her or, her performance still ns some moments of icy r. On Wednesday night ond act went less well ual, with a shrill sting arse cadences in "In reggia." But the house r a warm welcome, loyal e who have served so ly, and in the third act ted confidently.

or Konya challenges her Calaf. Anxious perhaps, tone rings too lightly, he lmost everything to the areless of the theatrical upon those he addresses. tone itself is fetching, nd pleading, and only the tiff and unyielding. Ping, Pang and Pong are particularly strong in the present revival, namely Thomas Allen, John Dobson and Francis Egerton; a more serious sonorous ensemble than the usual clownish trio. Excellent Mandarin from Richard Van Allan, dark and cruel. The company is well equipped with young male singers.

But it is the two young Italians making their Covent Garden debuts who provide the special interest in this revival: the conductor Gaetano Delogu, and the soprano Maria Chiara. The orchestra played crisply for Delogu, as though neatly prepared; and his interpretation was warm and fluent if not always as thrusting and flexible as the most thrilling *Turandot*. Miss Chiara is a Verdi-Puccini soprano of considerable achievement, with two aria records already to Decca's credit. The voice is perhaps too dominant for a sweet little thing like Liù, though she scaled it down to some delicate pianissimo for her final scene. A pretty performance, however; dramatic and supple.

The Great Mr. Gershwin'

Wednesday, September 26, 75th anniversary of the f George Gershwin. Had ed, Gershwin would be years younger than Sir Bliss, three years older ir William Walton. To morate this anniversary, ndon Borough of Camden nting a programme at the Shaw Theatre on Sunday next, September 30, at 7.30 p.m., entitled *The Great Mr. Gershwin*, consisting of songs, piano music and the Jascha Heifetz *Porgy and Bess* violin and piano transcriptions. Appearing will be Jenny Wren, Peter Gale, Raymond Cohen and Courtney Kenny.



McDonell in Richard Rodney Bennett's 'The Mines of Sulphur,' which is being revived at the Coliseum

Chinese Exhibition, Royal Academy

Opening Aladdin's Cave

THE EXHIBITION of Chinese art at the Royal Academy which Mr. Heath opens to-day was on view to the Press yesterday. The objects on show had previously been seen in Paris, where they drew only moderate crowds, were badly laid out, and received enthusiastic notices from connoisseurs of Chinese art. Their impact on London could be dramatic, and, coming so soon after Tutankhamum at the British Museum, they suggest that a renaissance of interest in the antique may soon make its effects felt in the art world.

The Chinese show has all the qualities of mystery, of an Aladdin's Cave suddenly opened, coming as it does after China has been effectively cut off from us for over a third of a century. This exhibition could have the effect the shows of African art had on Picasso and other artists 60 years ago, or the original opening of China on 18th century Europe. The unicorn of painted wood is so magnificent that a modern sculptor could not fail to be deeply affected by it.

The big halls of the Royal Academy are the best exhibition space in London and though modern design has been used the contrast with the claustophobic atmosphere of the British Museum's display of Tutankhamum could not be more striking. The big rooms are elegantly laid out in a sequence of small spaces, some prepared as tombs and houses, and though the courtyard has been emptied of cars for the vast queues of people that the Academy expects there is a sense of the elegant spaciousness which has always been a hallmark of chinoiserie.

The exhibits themselves are breathtakingly lovely, restrained and beautifully posed and balanced. It is already clear from the reactions to the French exhibition that the consequences of these new discoveries on oriental specialists are going to be important. To the non-specialist, however, the sheer quality of the works on display is the most remarkable thing and ought to draw the crowds if London is more sophisticated, as it is, than Paris. The splendid pot with a fluted edge, the magnificent horses, the peasant woman, are so superb that they can be enjoyed at any level.

The funeral jade suit of Princess Tou Wan has had most publicity, but there is no fear of its becoming hackneyed, of its disappointing the visitor. The 2,000 pieces of jade, linked by golden knots, seem to glow with a pale moonlit quality. She is displayed as though in her grave.

The works on show are organised in 12 chronological sections, from the privitive tools of 600,000 BC to the brilliant artifacts of the Yuan Dynasty which ended in 1368 AD. The earliest works are of great archeological interest, especially as there are displays of technology in which, as Dr. Joseph Needham has reminded us, the Chinese were 'till recently always leaders.

But it is perhaps the achievements of the recent millenia that will be of greatest appeal. There are the tiny leopards, with jewelled eyes, and the birds holding up bears. The statue of a peasant woman, of the second century BC, is one of the greatest works of art in the world, infinitely dignified and touching, and almost prompts the speculation of links with Greek antiquity. Some entirely new sculptures of peacocks and ducks and some enchanting agate beads have come from the semi-nomadic civilisation of Tien and are the first works of that civilisation to be displayed.

The horses, the great flying horse, and some in a carriage procession, are galloping across a big room and the rare breed they were taken from is shown in photographs. For sheer joy and exuberance, there can be few aesthetic objects to touch them.

Then there is the model farm of the first century AD, with chickens, a pig and a sleeping dog, that went into a tomb which has all the appeal, not only of a great art work, but of a toy that a child would long to play with. This sublime quality of solid objects in use is present in all the splendid pots and a superb piece of plain white ware of a later period.

The exhibition represents a sample of the best of the archaeological findings that have been made since the Revolution, and it is indeed remarkable how much has been done during a period of such radical transformation. The best information from recent visitors to the Chinese capital is that discoveries as remarkable as these are still being made, and that still more extraordinary things may follow from the systematic archeological programme now being undertaken. So splendid is what is on show that it is hard to believe there is more to come.

The decision to put the exhibition on at the Royal Academy was clearly the right one. The atmosphere of a vast Aladdin's cave is splendidly different from the intimate settings that have recently been so popular for exhibitions. The Academy has moved away from the claustrophobic layouts used elsewhere to an open, alternately light and dark, elegantly spacious display, achieved by lowered ceilings and clever new constructions, devoting an image of a continuous Chinese civilisation of nine millenia that is irresistably, overwhelmingly, lovely.

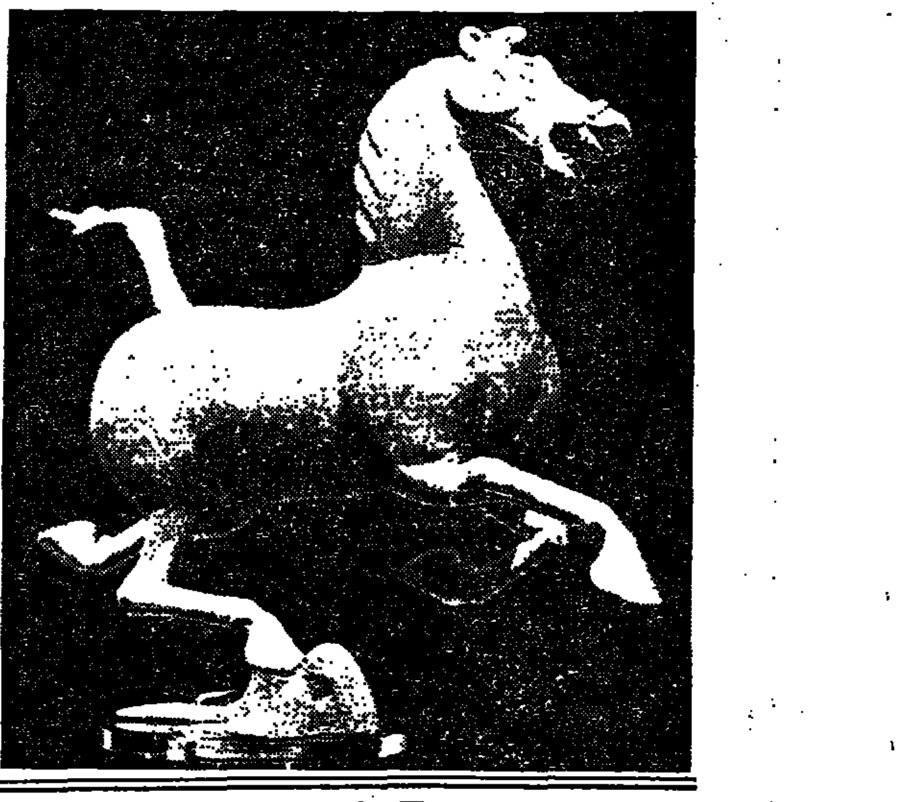
MARINA VAIZEY

Trevor Humphries

Two of the finest exhibits on display at the exhibition of archaeological finds of China, which extends from to-morrow until January 23, 1974, at the Royal Academy, London. The pottery figure is a tomb guardian of the T'ang dynasty (early 8th century AD). Dressed in armour it is trampling on a demon, and is designed to ward off evil spirits.

The bronze figure of a flying horse is one of the finest exhibits on show. It is 24.5cm high and 45cm long and comes from the Eastern Ham dynasty of the 2nd century AD. This piece is the most remarkable sculpture of the tall western breed—"celestial horses"—that has been found, and the only one which seriously attempts to represent the position of a galloping animal.

The figure balances on a swallow. It was excavated in 1969 at Wu-wei, Kansu.



Cinema

Inside the asylum

by NIGEL ANDREWS

Asylum
Collegiate Theatre, Gordon St.
Les Noces Rouges (X)
Academy Three
The Legend of Hell House (X)
Carlton
Cahill (AA) Warner West End

Peter Robinson's *Asylum* is one of those rare films that both deserve and demand a second viewing. It's a feature-length documentary study of the Archway Community, an experiment in communal living between mental patients and psychotherapists that arose from the theory and practice of R. D. Laing. By a fortunate accident, it received two press screenings this week. At the first showing, the film's detailed but bewildering study of schizophrenic behaviour was rendered well nigh impenetrable by a faulty soundtrack. At the second, the sound quality was restored and both technically and emotionally Robinson's film made an immeasurably stronger impact.

Robinson's method is virtually to eavesdrop on his subject, the camera probing unsuspecting faces or filming lengthy awareness group sessions in long shot, as the members sit around the white-walled room conducting their painful dialogue of self-examination. It's a familiar and sometimes suspect documentary method; but any guilty sense of voyeurism is vitiated here by the complete frankness of the participants, as they talk, quarrel or fight their problems through and by the involvement of the camera crew itself, who lived with the community for six weeks and who can be seen throughout the film constantly slipping in and out of frame.

The aim of the Archway Community was to offer disturbed people an alternative to the depersonalising milieu of the mental hospital, and to encourage them to foster close social contact with other people —both "patients" and therapists —in ordinary day-to-day living conditions. In the four houses rented to them by the GLC, they cooked their own food, paid their own rent, and were free to come and go as they chose. The results would seem to speak for themselves. Although many of the original residents were chronically insane, there were no suicides, and of the 100 people who lived in the Archway houses up to September 1972, only eighteen have since returned to a mental hospital.

Robinson has assembled, in random order, a series of typical scenes in the life of the community. A shy young girl tries to put her thoughts together in a group meeting while her more obstreperous colleague continues an incoherent monologue off-screen. A father comes to take his boy away for a two-week visit home, and in a hilariously bland non-nosense exchange with the therapist, informs him that he has "arranged" a girl for Jamie —"for a bit of kudos, to boost his morale." Further small incidents occur to rock the community's stability—a girl's nightmare, a new arrival, an outbreak of violence.

Finally, in the last part of the film, the pieces start to come together and the focus to centre more and more on the community's response to their most disturbed member David, a garrulous but self-absorbed Irishman whose disturbed condition suddenly erupts into violence. Nothing is more impressive in the film than the way the community's members are seen suddenly to close their ranks, uniting in sympathy with David in a long scene of painful discussion and vain attempts to "get through," but forced ultimately to choose between the survival of the community and the destructive freedom of one member.

What emerges above all from Robinson's film is a clear vindication of Laing's belief in the viability of a personal rather than clinical relationship between psychotherapist and patient. The film's lack of any commentary or framing device (only Laing himself, who introduces the first and second parts of the film, is there to offer a brief theoretical gloss on the action) makes it as difficult for us to tell the difference between patients and doctors as it is for the residents. *Asylum* is reportedly the only filmed account of his work that Laing has ever sanctioned.

*

Second-rate Chabrol is usually so much better than first-rate anyone else that it seems ungrateful to carp when his latest film, *Les Noces Rouges*, falls several grades below the standard set by *Le Boucher* or *Juste Avant La Nuit*. The film was shown in Cannes earlier this year, where it was received with rather muted glee. It was then shown in Berlin, where it didn't win any prizes. Finally, it has come to the Academy, where a packed Press audience and much excited murmurings in the bar afterwards didn't quite disguise the fact that no one thought it was altogether the hoped-for masterpiece.

The first problem is that not even Chabrol can go on repeating himself for ever. The plot is yet another provincial murder intrigue. Stephane Audran is again the *femme fatale*; and through it all runs once more that mischievous vein of satire on the rituals of the bourgeois life style that Chabrol has made his own. What differences there are, furthermore, are not improvements. This time round, the adulterous love affair is an almost comically physical set-to between Audran as the local mayor's wife and Michel Piccoli as his deputy, which Chabrol choreographs with animalistic grunts from him and much skirt-lifting from her. The inevitable murder, meanwhile, takes the form of a clumsily faked road accident in which the mayor is beaten up and burned to a cinder in his own Citroen.

What might have been, with other directors, a refreshing relaxation of tone proves in Chabrol's hands a sad vulgarisation. Claude Pieplu's mayor offers a hilarious sketch of a puffed-up provincial dignitary, huffing and strutting his way through a life of political chicanery and domestic tyranny. But it's a performance that belongs in a different film from that in which the dark, guilt-haunted characters of Audran and Piccoli occupy centre stage. Worse, a near-slapstick scene of the two lovers camping out for the night in the bedroom of the local chateau—champagne corks popping over the gilded coverlets, while the ancestral portraits look on in mute disapproval—seems to have been slipped in purely to set up the joke of an unsuspected Piccoli being delegated next day to investigate delinquent intrusions at the castle.

Perhaps one's being hard on a film for which Chabrol's unflagging record of masterpieces over recent years created unduly high expectations. But although the director's stylistic subtleties are still in evidence—clothes and decor used as a symbolic reflection of the action, casual gestures observed as pointers to character (for example, two slyly constrasting scenes of Piccoli and Pieplu starting up their cars)—they are not matched by an equal subtlety in the narrative. Perhaps Chabrol works better from a literary original (this story is reportedly taken from a real *ccuse célèbre* in recent French history). Perhaps, too, he has at last milked dry the dramatic possibilities of the provincial thriller. In the meantime, however, it's encouraging, and exciting, to learn that he is currently at work filming a Henry James novel. That looks as if it might well turn out to be a marriage of true minds.

*

Ten years ago, you may remember, Claire Bloom, Julie Harris, Richard Johnson and Russ Tamblyn teamed up to conduct a scientific investigation into supernatural happenings in a deserted Gothic mansion called Hill House. This week, Clive Revill, Gayle Hunnicutt, Pamela Franklin and Roddy McDowell team up to conduct a similar investigation into similar happenings at a not dissimilar Gothic mansion called Hell House. John Hough's *The Legend of Hell House* is a virtual reprise of Robert Wise's 1963 *The Haunting*, admittedly better directed, with a penchant for Wellesian visual effects (low angles, deep-focus compositions, dramatic lighting) and sometimes better scripted (by the prolific and talented Richard Matheson, from his own novel). But the film is saddled with an imbecilic plot that looks no more convincing in 1973 than it did ten years ago.

To begin with, there are few things less frightening than poltergeists. Not only is the film's horror interest tamely confined to slamming doors, disembodied voices and various things that go bump in the night, but it's all overlaid with the kind of portentous pseudo-scientific dialogue that one had hoped had gone out with films like *Beast from 20,000 Fathoms*. "Is there anything I can do to help?" enquires Gayle Hunnicutt as her husband Clive Revill potters absent-mindedly around the team's giant Ectoplasm Reversor machine: "No, it's too complicated, I'm afraid," is his muttered reply, which puts both Miss Hunnicutt and the audience firmly in our unscientific places.

Somewhere towards the end of the film, to add a bit of flavour, Michael Gough is wheeled on as a 100-year-old corpse. He doesn't have much to say for himself; but those sage, gaunt features offer up an expression of dumb complaint that struck a sympathetic chord in at least one member of the audience.

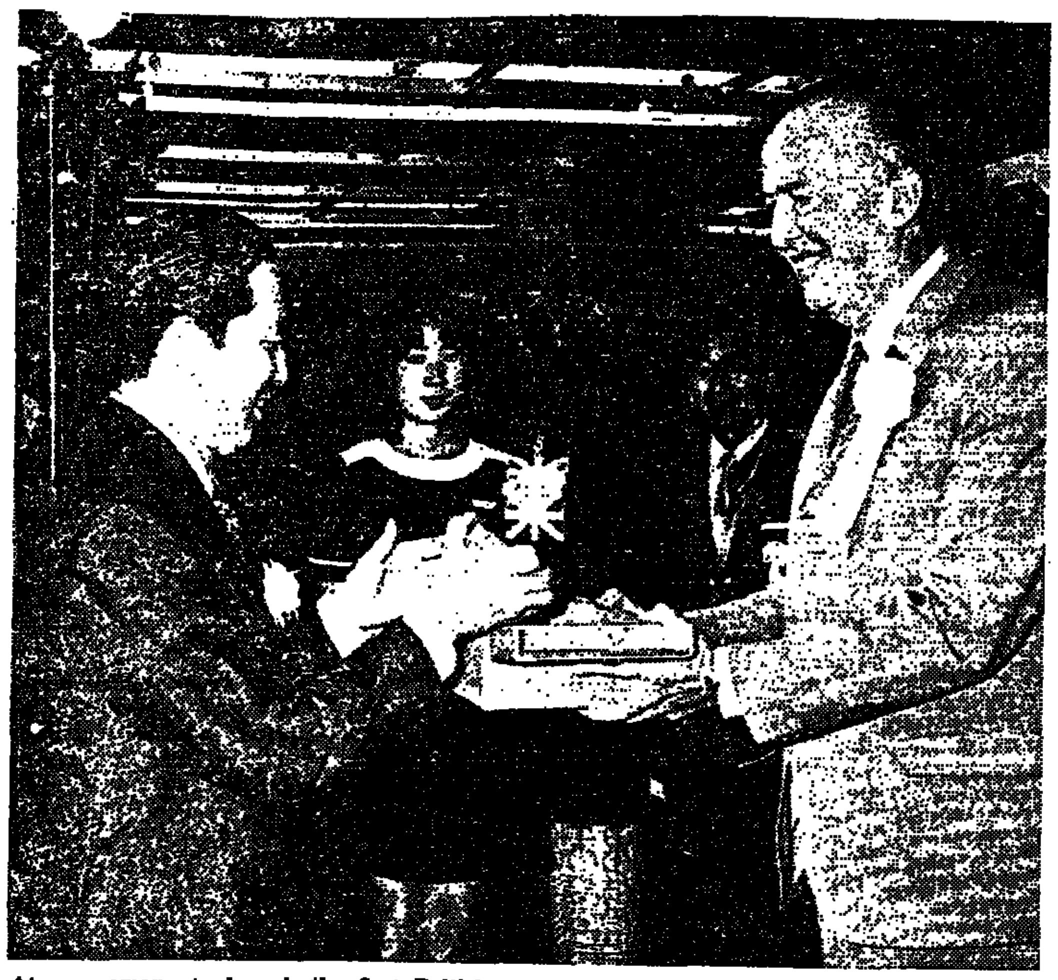
*

John Wayne rides again, a little more stiffly than of old, in *Cahill*. Directed by Andrew V. McLaglen, the film tells the story of an ageing U.S. Marshal (Wayne) whose attempt to capture and punish a gang of bank robbers is complicated by the fact that his own son is one of them. Heart-searchings and gunfights ensue in roughly equal proportions, and the result, if not exactly a masterpiece, is a lazy, amiable and professional Western in the true McLaglen tradition.

Stéphane Audran and Michel Piccoli in Chabrol's Blood Wedding (Les Noces Rouges)

CINEMAS ARE CONTINUED ON PAGE 22

BRITISH EXPORTS



At a ceremony to launch the first British store promotion of the British Overseas Trade Board's current trade drive in Japan, Lord Thorneycroft, Chairman of the Board, presents Mr. Seiji Tsutsuai, President of the Seibu store, with a symbol of Britain. Seibu are currently featuring the "British Fair" promotion in their store in Tokyo.

Record half year bicycle results

FINANCIAL TIMES REPORTER

RECORD HALF-YEAR exports of British bicycles at £11.5m., against £9.5m. for the first half of 1972, were announced at the inaugural meeting in Coventry yesterday of the new Bicycle Association of Great Britain.

Mr. Tom Barnsley, chairman and managing director of Raleigh Industries, who was elected first president of the Association, said that he foresaw a bright future for the bicycle as a means of personal freedom in a world where the motor-car faced enormous restrictive pressure.

Annual exports of bicycles and components were now running at nearly £30m., a year from a skilled workforce of 20,000, members were told.

The British bicycle industry ranked very high among those making the greatest contribution to the national economy. At home, there was a marked resurgence in cycle sales and the industry predicted sales of 1m. machines a year in the near future.

Barnsley explained in detail the reasons why the former Cycle and Motor Cycle Association had been reorganised into two separate bodies, one of which—the Bicycle Association of Great Britain—would now provide the highly specialised and expert services which the bicycle industry in the U.K. would need to maintain its place as a world leader in design, production and export. Among 170 world markets for British cycles by far the largest was the United States, members heard.

Outlining the growing need for a specialised trade association in a highly competitive world, Mr. Barnsley stressed the requirements for accurate statistics and market information, "dynamic promotion" and the importance of co-operation with the British Government and those of other nations in matters of legislation and export practice.

Davy Powergas to build S. Korea methanol plant

DAVY POWERGAS, a Davy International company, has been awarded a contract by Taesung Methanol Industrial Company, South Korea, for a methanol plant of 1,000-metric-tons-a-day capacity. The design of the plant will be based on Imperial Chemical Industries' low-pressure methanol and naphtha reforming processes. A modular reforming furnace will be used.

The value of the project is approximately £14m. and the plant will be built at Yosu in Kwangyang province as the first installations to be located in an area designated for major petro-chemical developments.

Davy Powergas will be responsible for process and engineering design, procurement of equipment and supervision of construction. Most of the equipment will be supplied from the U.K., with the balance from Japan, and the plant is scheduled for completion in 24 months.

Taesung Methanol Industrial Company is a joint venture formed by Taesung Lumber Industrial Company of Korea and Mitsubishi Corporation of Japan. Taesung Lumber is already operating a methanol plant in South Korea built by Davy Powergas. This was one of the first plants to use the ICI low-pressure process.

The contract is being financed by an ECGD-backed loan provided by a consortium of banks headed by Lazard Brothers.

This is the ninth ICI low-pressure methanol plant contract for Davy Powergas.

Top level mission for Mexico

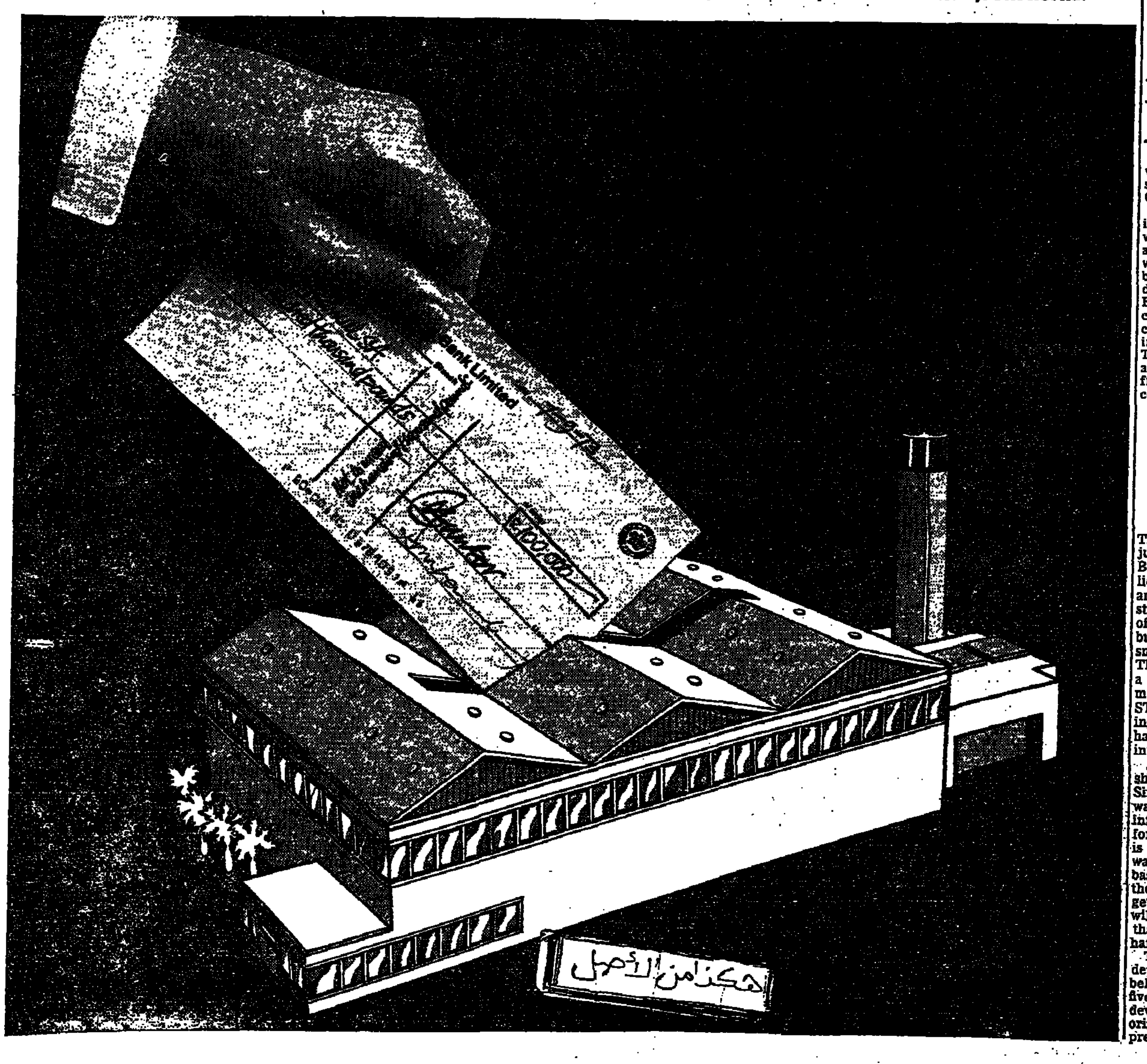
FINANCIAL TIMES REPORTER

A TOP-LEVEL trade mission from the London Chamber of Commerce and industry leaves London to-day for a two-week visit to Mexico. The 21-strong mission is being led by Sir Monty Pritchard, chairman and managing director of Perkins Engines.

The mission, the second to visit Mexico, is a direct follow up to the recent visit to London of President Echeverria and a delegation of senior Mexican officials from the public and private sectors.

All the members will take part in a one-day plenary session of the British-Mexican businessmen's committe. Subjects under discussion will include bilateral trade and British investment in Mexico.

One of its main objectives will be to explore ways and means of expanding two-way trade and to this end the group includes both exporters and importers. In 1972, British exports to Mexico totalled £18.8m. and British imports were £4.6m.—although some Mexican exports are shipped through U.S. ports and are not shown in the figures. It will also be looking at new developments in the Mexican economy and the opportunities for selling British expertise both in technology and finance.



IATA

Airlines agree on new Atlantic cargo rates

BY PETER HERING

AIRLINE MEMBERS of the International Air Transport Association have at last reached agreement on a new rates package for goods shipped on their services across the North Atlantic route. They have thus averted, with only days to spare before the deadline they had been set for agreement, an "open rate" situation which, it was feared, would develop on the route because of the apparent inability of the carriers to reach the unanimous agreement among themselves required under the IATA protocol.

The new package will be incorporated in the revised rating structure to apply on all world air routes for the next two years and was due to come into effect on October 1 when the revisions already agreed for the other routes (reported in the Financial Times on September 22) will be applied, but because of the lateness in reaching agreement their introduction has been deferred until January 1 of next year to give time for the changes to be incorporated in the printed tariffs.

Included in the changes for the North Atlantic route are two innovative and somewhat radical departures from established IATA rating philosophy. The first, and most interesting, is the introduction for the first time of a minimum charter rate to which all airlines must conform on their services between Europe and the U.S. and Canada. This will vary according to the aircraft type and the number of pallets over which the load it is carrying is spread, and will be based on a rate per mile to be calculated by multiplying the "Great Circle" mileage between the two points of the flight by the rate per mile applicable to the aircraft type and load.

The aircraft most commonly used by the North Atlantic operators are the Douglas DC-8 and Boeings 707 and 747, and for these the rates will be: Boeing 707 with 11 pallets, $3.46 per mile; Boeing 707 with 13 pallets, 4.00 per mile; Boeing 707 with 14 pallets, 4.26 per mile; DC8-62 with 14 pallets, 4.26 per mile; DC8-63 with 18 pallets, 5.00 per mile; Boeing 747-B 12.00 per mile.

The introduction of these charter rates is seen as a direct challenge by the IATA carriers to the activities of the independent charter operators whose low rates have been progressively attracting increasing volumes of traffic away from the scheduled airlines — although, ironically, mainly on routes other than the North Atlantic. But with the principle of a charter rate established, the probability of its adoption on other routes where competition is really worrying the IATA carriers—to the Middle and Far East, for example—would seem to be only a matter of time.

Special rate for bulk shipments

Of equal significance in the new agreement is the decision of the North Atlantic carriers to introduce a special rate for bulk shipments. This is a concept that has been in operation for several months without IATA agreement but with the approval of the Governments of Belgium, France, Germany, Holland and Switzerland on services between those countries and the U.S. for which a special low rate applied for single commodity shipments of 15 and 30 tons respectively. Extension of the concept to the U.K. by the international carriers was strongly resisted by the then BOAC division of British Airways so approval for its introduction on services to and from British airports was withheld by the Civil Aviation Authority.

The eventual withdrawal of the British carrier's objection means that U.K. shippers will now benefit from the bulk rate. But at the price of persuading British Airways to accept the bulk rate, the European carriers have had to forego their application to loads of 15 tons. The newly agreed rate is for shipments of 30 tons only—at 51 cents per kilo.

Taken together, these two innovations are clearly aimed at attracting a much greater volume of higher load traffic. In practice, what they are likely to do is to increase the demand for charters at the expense of scheduled services because the cost of shipping 30 tons at the bulk rate on a scheduled service between London and New York, for example, will now actually be higher than the new minimum charter rate for an aircraft capable of carrying the same load.

Other changes in store for shippers when the new rates come into operation will mainly affect the charges made for specific commodities, most of which will be increased by 6 cents per kilo for eastbound shipments and 4 cents a kilo westbound. The rates for consignments shipped in containers or on pallets will also be increased—the minimum charge by 6 cents a kilo and the over-pivot rate by the same amount. In addition, the basic minimum charge for consignments shipped at the general rates will be increased to $26 and to $29 for shipments to all U.S. destinations other than New York, Boston, Hartford and San Juan. There will also be an increase of 6 cents a kilo in the general rates for consignments at the 100, 300 and 500 kilo breakpoints.

'Mixed' Hungarian reaction to latest six month figures

BY DAVID LASCELLES, EAST EUROPE CORRESPONDENT

HUNGARY'S ACCESSION to full GATT membership this month came just as Hungarians were celebrating their best trade figures for a long time but were also showing some concern for the immediate future in foreign trade.

For after a long period in deficit, trade returns for the first six months of this year show a healthy surplus and confirm the improving trend that was just detectable at the end of last year. Specifically, Hungary has turned a deficit of 1,500m. forints in the first half of 1972 into a surplus of 800m. forints in the first half of this year.

This turnabout was due to a spectacular increase in trade with the West and a marked slowdown in imports from other Comecon countries.

Although the overall increase in turnover during this period was 11 per cent., there was only a 5 per cent. increase in trade with rouble-accounting countries but a 23 per cent. growth with dollar-accounting countries. Exports as a whole were 20 per cent. up (15 per cent. to Comecon, 31 per cent. elsewhere), but imports rose only 3 per cent. Those from Comecon countries actually dropped, while those from the West rose by 16 per cent.

The remarkable growth in trade with the West is to a large extent due to increased shipments of most of Hungary's leading export commodities, basic materials, components, machinery and agricultural products. The growth of imports is lopsided, the emphasis being on consumer goods.

Though Hungarians have permitted themselves a few optimistic remarks about the future, on the strength of these figures, the overall pattern of trade is still unhealthy for several reasons.

A fundamental flaw continues to be the deficit on trade with the West—in other words Hungary is still losing money on its hard currency account. It is true that the deficit is now marginally smaller but it remains large in real terms. However, Hungarians can take heart from the fact that trade with the West continues to grow rapidly despite their fears about the possible negative impact of the enlargement of the EEC and the world monetary crisis.

A new, and unwelcome, feature of the trade picture is the large surplus from trade with Comecon members, and this has caused some concern in Budapest. "Profits" on trade within Comecon are only illusory since they are unconvertible, and the only course for Hungary now is sharply to increase its imports from Comecon members in order to get its trade back on an even keel. The surplus, incidentally, has been partly blamed on industry's preference for machinery imported from the West.

Hungary's considered reaction to the trade figures is therefore mixed, as appeared from comments made by Dr. Jozsef Biro, the Foreign Trade Minister. He was quoted by the Hungarian Press as saying: "We expect the 1973 overall foreign trade turnover to be more favourable than planned, and notably exports to be higher. One of the principal tasks for the second term of the year is to see that exports to the Socialist countries increase in accordance with the long-term contracts, and that imports from these countries broaden."

But the Minister also implied that the figures were exceptional. He mentioned "special factors" which would not apply to the second half of the year. Although he did not elaborate, one point he may have had in mind is the greatly improved prices Hungarian exports, particularly agricultural produce, have recently been commanding in the West.

HUNGARIAN FOREIGN TRADE JANUARY-JUNE 1973

in mn Foreign Exchange Forints

	Exports January-June		Imports January-June	
	1972	1973	1972	1973
Socialist countries	10,635.1	12,525.9	10,881.0	10,512.1
Non-Socialist countries	4,193.7	5,230.7	5,461.7	6,414.3
TOTAL	14,828.8	17,756.6	16,342.7	16,926.4

Source Statisztikai Havi Kozlemenyek, 1973/7 Budapest

Singer small computer project

BY IVAN BERENYI

THE FINISHING touches are just being put upon what Singer's Business Machines Divsion believe to be the most advanced and cost-effective accounting and stock management system yet offered to that rather amorphous, but much wooed, figure—the small computer user in Europe. The system is called STELLA, a suitable acronymic development from a U.S. package called STARS (for System Ten Accounting and Reporting System) which has been well received since its introduction in May.

STELLA's debut—at the SICOB show in Paris—also marks Singer's evolution from a hardware manufacturing company into a tenderer of total systems; for the newly developed software is to be marketed with a hardware adjunct—the Model 6800, a basic and fairly small version of the System Ten mainframe. Together, STELLA and the 6800 will be priced considerably lower than an average System Ten hardware installation.

To say that STELLA is a development of STARS is to belittle the efforts over the past five months of its multinational development team. In fact the orignal software has been comprehensively adapted to the different legal and procedural requirements of France, Germany and—most problematical of all—Italy. Three more countries, Belgium, Switzerland and Austria, are shortly to be catered for as well.

The difference between U.S. and European accounting procedures are fairly fundamental, and it has in the past been a fault of some modified U.S. packages that they have not been sufficiently "Europeanised." Comprehensive audit "trails" are still required by European Governments, and more often than not these have to be provided in hard copy format, although acceptance of audit records stored on magnetic disc or tape is growing in Britain and France. Selective sampling of accounting records for audit purposes is almost universal in America, but unknown here—really an inability or unwillingness to come to terms with the potential of the computer.

Other significant points of difference include VAT, which exists throughout the EEC but which is applied differently from one country to another; and the—to an American—bewildering choice of means of payment of sums owed by one party to another.

STELLA has been contrived to include all these distinctions, and combined with Singer hardware offers considerable processing flexibility as well. The architecture of the 6,800 permits easily-controlled multi-programming, and the provision of a visual display unit means that the user can interrogate or update his records interactively without the complex and expensive communications software that a conventional operating system would entail.

The result is a system with price-performance advantages even over European-manufactured competitors like the Nixdorf 880/55 and in spite of past and perhaps future currency readjustments. It should appeal particularly to users handling a large customer base, and industries — like distribution and light manufacturing — operating in a volatile order-processing situation.

If the achievement of STARS is anything to go by, the portents are good. Over 70 systems have been sold in the U.S. since its debut in May, and in Australia eight systems were sold in the first fortnight of marketing.

AMERICAN NEWS

...issinger warning on ...nger to detente

...IAN DICKS WASHINGTON, Sept. 27.

...RY KISSINGER, the ...tary of State, warned that there was a limit ...ount of pressure the ...l put on the Soviet ... change its attitude ...ivil liberties without ...ng the progress made ...étente between the two

...arks to a Press con-... the United Nations in ... were actually made ...efore the House of ...atives Ways and Means ... voted to deny most ... nation status to the ...il it lifts restrictions ...igration of Soviet citi-... Dr. Kissinger's re-...rve to illustrate the ...ministration's concern ...mittee's action and the ...with which it will try ...e strain in U.S.-Soviet ...from growing any more

...nt Nixon is expected to ...atter at the top of his ...-morrow morning, when ...ld talks here with Mr. ...Gromyko, the Soviet ... Minister. Despite the ...d Means Committee's ...sterday, he has in prac-...ption but to assure the ... that the Administra-... continue to press hard ... status to be extended ...SSR as agreed between ...on and Mr. Leonid ... last year.

...ssinger repeated that ... of course, has its own ...about Soviet treatment ...ling emigrants and of ... critics of the Kremlin's ... but made clear once ...t he believes these are ...y questions to the task ...wing relations between ... Governments.

... is a great tendency to assume that everything that has been achieved is now automatically permanent and can be drawn upon as if its capital were inexhaustible. We are taking the position that we would not, as a Government, take a formal public position. But we have also taken the position that insofar as we have influence in other ways, we could use it to the limit of our capabilities."

The Secretary of State was careful not to attack directly either the action of the ways and means committee or the powerful head of support for putting pressure on the Kremlin over civil liberties that has built up in both Chambers of Congress. But he did warn that the precedent of Congress trying to block a measure of agreement already reached would raise "the most serious questions about the degree to which other countries . . . can rely on a complex negotiation and about the performance of the U.S. over a period of time of its commitments."

His argument, of course, goes to the heart of the dispute between the Congress and the Nixon White House over Congress' constitutional powers over the Administration—a dispute to which Dr. Kissinger himself nodded during his confirmation hearings when he promised the Senate Foreign Relations Committee more "consultation" in the formulation of policy.

The Administration's problem now is that, embarrassing as the vote on Soviet MFN status may be, the President still urgently needs the co-operation of the Ways and Means Committee over the remainder of the Trade Bill to which its amendment was attached yesterday. Rather than see its powers of negotiation in the multilateral trade negotiations imperilled, it has suggested in the past that it would agree in the last resort to cut MFN status for the USSR right out of the Bill and attempt to relaunch it as a separate piece of legislation.

Trident favoured

BY ADRIAN DICKS WASHINGTON, Sept. 27.

The Senate voted to-day in favour of the accelerated development of the Trident nuclear strike submarine after one of the most intensive debates in recent years between the Nixon Administration and its top military commanders, and Senators who fear that to speed up the $12,800m. plan for 10 submarines is certain to result in drastic errors and vast cost overruns.

The vote of 49-46 this morning followed heavy pressure on wavering Senators by generals, admirals and a carefully orchestrated Press campaign about the potential danger to the U.S. position at the second round of the Strategic Arms Limitation Talks if it does not have Trident to use as a bargaining chip against Soviet submarine developments.

...) newsprint mills still shut

...UR OWN CORRESPONDENT MONTREAL, Sept. 27.

TEN eastern Canada ...d paper mills, mostly ...t producers, are still ...wn by strikes by the ...aperworkers' Union, the ...on of Pulp and Paper ..., plus two local Quebec ...

Nearly one-quarter of ... newsprint production is ...

Latest figures from the ...n Pulp and Paper Asso-... show Canadian mills ... 770,000 short tons of ...t in July against 711,000 ... earlier, with exports ...against 652,000. ...rint exports to the U.S. were 591,000 against 514,000 and to the U.K. 35,000 against 44,000. The strikes began in July, however, and the August figures will show the effects both of the pulp and paper strikes and the national rail strike.

Negotiations are now in progress between the international unions and a group of eastern Canada companies, including Cons-Bathurst, Domtar MacLaren and Quebec North Shore. These companies are regarded as likely in the next week or two to settle roughly with the pattern set by Abitibi Paper.

This would mean a two-year contract giving 8½ per cent. increases each year backdated to last April, plus fringe benefits.

Price Company has been negotiating with the local Quebec unions and contract demands have been higher than pattern settlement by Abitibi.

Talks between Canadian International Paper and unions broke off again when the unions refused a new offer of a three-year contract giving 7½ and 8 per cent. plus fringes.

CIP has been insisting on a three-year contract.

Chile copper mines 'to stay State controlled'

SANTIAGO, Sept. 27.

CHILE'S military junta is still working on a comprehensive economic plan for the nation, but it seems apparent that Chile will not return completely to a private enterprise system.

As part of his programme to lead Chile "down the road to Socialism," President Allende took over key areas of the economy and nationalised Chile's biggest income producer, the giant U.S.-run copper mines.

More than 1,500 large private farms also were expropriated in a sweeping agrarian reform and turned into State-supervised operations.

But many industries and farms were illegally seized by the Government, using obscure regulations dating back 30 years. Now the junta says businesses and farms illegally expropriated will be returned to their original owners, while legally nationalised companies and those farmlands legally incorporated into the agrarian reform system will continue under control of the new Government.

That category is expected to include the copper mines and foreign banks nationalised by the Allende Government. "I can't imagine them giving back the copper mines," said a U.S. Embassy source.

The State copper corporation, Codelco, is understood to be preparing two programmes with junta approval. These envisage the recruitment of foreign technical assistance on a contract basis

In Nairobi, Sr. Eduardo Cano, President of the Banco Central de Chile, told the annual meeting of the IMF and World Bank that the former Marxist Government had taken the country to the brink of economic collapse.
AP-DJ

BARBADOS PM TAKES LEAVE TO LECTURE

BRIDGETOWN, Sept. 27

Barbados Prime Minister Errol Barrow has announced he is taking three months leave of absence from his Government to take up the post of visiting Professor at Florida International University.

Mr. Barrow said last night he would be away from Barbados until December, but did not give the exact date of his departure.

During his absence from the country, Mr. Edwyn Talma will act as Prime Minister and chairman of the Cabinet.

Labour Minister Philip Greaves will take over Mr. Barrow's portfolio of Finance Minister during the Prime Minister's absence.
Reuter

FOREIGN INVESTMENT IN THE U.S.

The bargain hunters

BY NICHOLAS COLCHESTER, U.S. FINANCIAL CORRESPONDENT

MORGAN GUARANTY Trust of New York recently asked its computer to examine the balance sheets of 1,800 U.S. companies and to come up with a list of bargain buys. In this summer's strange stock market the computer had no problem: It printed out a sheet of 144 companies, all on the American or the New York Stock Exchange, all with a price-earnings ratio of less than seven, and all with share prices more than 20 per cent. below book value. Of these companies, 60 were priced at less than their net working capital — they offered, one might say, money at a discount price and with a corporation thrown in.

Given these figures it has been no surprise to see the men from Jessel Securities, from Vavasseur, from Triumph Investment Trust and from Slater Walker gum-shoeing around New York in search of a bonanza. Time may be running out for them, as in the last few days the stock market has shown signs that the bargains may not be on offer for much longer. But whether the financially astute buy "at the bottom" or not, it is clear that there will over the next few years be a greater tendency for foreign corporations to look for investments in America than at any time since the Second World War.

The new interest of foreign investors has created opportunities for the band of entrepreneurs who specialise in bringing together the sellers and buyers of companies. This activity is a traditional part of the repertoire of investment banks; it is an interesting departure for a big commercial bank like Morgan Guaranty. It is a sideline for the accounting and legal professions. On an individual level it ranges from obsessive and basically dilettante tipstering to fairly canny one-man merger-broking operations like Mr. Nicholas Simunek's Simco Equities.

Morgan Guaranty is an interesting performer in this field. Within this enormous bank, rather sober in its overall image, there is a group of men who are playing the merchant banker and who are paid the sort of salaries that keep them away from merchant banks. The group is headed by Mr. Jack Cath, a genial and faintly inscrutable Dutchman. He controls six executives in New York, three in Paris, two in London, one in West Germany, and one in Tokyo. This year his operation will cost around $1m. and should take 2½ times that amount in revenue.

Since 1968 Morgan has been charging merchant bank type fees for its merger-broking activities on the well-established American principle that if you fix a deal you get paid well and that if a deal falls through you do not get paid at all. Foreign investment in America has recently begun to provide many opportunities for Morgan on this front, culminating in the massive manoeuvrings earlier this year that led to British American Tobacco's purchase of Gimbel Brothers, the U.S. store chain, for $195m. For this deal BAT paid Morgan $750,000.

After such a coup Mr. Cath is full of enthusiasm for his game. He has, he says, six $100m. deals in the works, three with British companies, two with Japanese, one with Germans. On his desk sits a thick wad of what could be the most exorbitant classified advertisements in the world—a list of European and Japanese companies each of which would like to spend a lot of money on an appropriate U.S. vehicle. Like most people in the business, Mr. Cath says that his real problem is knowing how many trails to follow up at any moment because, when one comes to the boil, it often demands the full attention of everybody in his department.

'. . . There will be a greater tendency to look for investments in America than at any time since the Second World War.'

A little further down Broad Street the acquisition team at Goldman Sachs is gearing itself up to the same opportunities. Headed by Mr. Corbin Day, this group sought to establish Goldman Sachs during the 1968 American merger boom as the investment bank that gives specially good advice to major stockholders who are thinking of selling out.

Goldman Sachs recently established a man in London, Mr. John Charpentier, to do the same thing and soon discovered that he would do well to talk to potential buyers of American companies. Mr. Day calls the current state of the New York stock market "a chance you will see only once every 10 years," and claims that he knows of three Dutch companies with over $40m. to spend in the U.S. Goldman Sachs' biggest deal with a British company so far this year was the 40 per cent. of Connrex that it sold to Chloride for $20m.

The strength of any mergers and acquisitions department lies in the system through which it collects its intelligence. As a major corporate bank Morgan can at once provide its merger department with a wealth of information on American companies, many of which are its clients. The bank has perhaps 200 commercial banking officers of which 40 will be "out in the field" at any time. These days a standard part of their activities is to discover whether the company they are visiting envisages any purchases or spin-offs. The results are memoed straight to the merger department.

Beyond this internal intelligence lies the large number of individuals and others with information to sell. It may be a lawyer or accountant with a one-shot lead on a person who has to sell a company or a block of stock; it may be a small firm like Simco Equities that tries to stay au fait with the latest merger gossip, to complete small deals itself, and to sell any important intelligence to the merger department of a commercial or investment bank.

The big break for this sort of operation is equivalent to that achieved by Mr. Fritz Markus, the senior partner of First Manhattan Corporation, a Wall Street brokerage house. He heard that Mr. Bruce Gimbel was looking for someone to buy his store chain. He had lunch with Mr. Cath and soon afterwards First Manhattan got $125,000 of the $750,000 that BAT paid to Morgan Guaranty.

In recent months the tip-off brigade has been paying close attention to 450 Park Avenue, for that is the new corporate headquarters of Slater Walker of America. No one is exactly sure what Slater Walker is up to—it wants to build itself a finance related company in the U.S. and has kicked off with a store chain. What is known is that the company hopes to spend between $60m. and $120m., probably in its new U.S. stock sweetened with cash, by the end of this year. So between 100 and 150 ideas men have approached Mr. Allan Tessler and Mr. Andrew Greystoke, the two executives who head Slater Walker of America, with their suggestions. "We've had a lot of lunches," Mr. Greystoke notes wearily.

For the hierarchy of merger diplomats New York seems likely to prove as good a stamping ground as any over the next few years. Mr. Felix Rohatyn of Lazards, a man who has put together one or two mergers in his time, explained that "in the sixties one detected a certain nervousness among overseas companies thinking of operating here. Certain companies—Olivetti, St. Gobain—had bad experiences and the rest looked for reasons not to come. To-day one finds them looking for reasons to come."

Merger brokers with branches in London and New York, whether they be British or American, are particularly well placed. British companies are providing a disproportionate amount of the overall foreign interest in mergers and acquisitions in America. The common language is a great help in solving the legal intricacies of an American merger. British corporate disclosure is fuller than in other European countries, and this helps with the arrangement of agreed takeovers and financing.

Finally there appears to be a widespread misunderstanding over the relevance of parity shifts to overseas mergers. It is true that the pound sterling has not gained in dollar value to nearly the same extent that the French franc or the German mark or the Japanese yen have over the last two years, but it is not true that these much greater shifts should be great inducements for the French, German and Japanese to buy American companies.

Most foreign acquisitions in the U.S. are dollar-loan financed and the loans are repaid from the earnings that are acquired—a currency conversion is not involved. The only type of foreign direct investment in the U.S. that is affected by parity shifts is the sort of investment that Volvo has decided upon and which Volkswagen is thinking about. Whether a European car manufacturer makes his cars in Europe or in America depends heavily on the local cost of manufacture and hence on parities. It is the state of the stock market and not that of the dollar that encourages the British investment companies to look covetously towards the U.S.

Pompidou drops clear hint he will seek second term

BY ROBERT MAUTHNER PARIS, Sept. 27.

PRESIDENT POMPIDOU to-day confounded French and foreign observers who have been suggesting that he is seriously ill by dropping an unmistakable hint that he was ready to run for a second termr in 1976.

The President was speaking at a televised Press conference which lasted for an hour and 40 minutes—his first since last January and also the first since the widespread reports of his illness at the time of his meeting in Iceland with President Nixon in June.

Although M. Pompidou has clearly put on a lot of weight, particularly round the face, since the beginning of the year, which means some French commentators have put down to cortisone treatment he is alleged to be receiving for an arthritic complaint, he appeared to-day to be in good health.

His remarks were peppered with statistical detail and historical and literary references, an indication that neither his intellectual capacities nor his wit have been in any way impaired.

He was prepared to put himself at the service of the French people as long as they wished him to and as long as he was capable, Mr. Pompidou said with a broad smile.

For good measure he added that he was persuaded to do this by the eagerness of people to succeed him, an obvious hint to M. Valery Giscard d'Estaing, the Finance Minister, who has made no secret of his presidential ambitions.

In this context, M. Pompidou made clear he had no intention whatsoever of resigning before the end of his present seven-year term and his proposal to reduce the presidential term from seven to five years, due to be debated by Parliament next month, referred to the next incumbent of the Elysee Palace.

Apart from his reference to his personal plans, the Press conference was unusually unproductve. It was lacking, in particular, in any substantial new initiatives on Europe, although M. Pompidou did suggest France would be prepared to consider regular meetings of the Heads of Government of the Nine to give a further impetus to European political union.

Defence

He was not putting a formal proposal to this effect, the President emphasised, but he was prepared to talk about such meetings with France's European partners.

Nor was M. Pompidou forthcoming on the problem of defence cooperation within Europe which, he said, was inextricably linked with the question of the presence of U.S. troops in Europe.

While recognising the importance of a common defence policy for the future development of the European Community, the President emphasised that agreement on an "autonomous defence policy" was still a long way off.

M. Pompidou adopted what was essentially a defensive stance when asked whether he agreed with the recent remarks of M. Jacques Chirac, his Agriculture Minister, that West Germany was turning away from Western Europe to the East.

It should not be thought that he was obsessed by Germany, he said. There was no crisis between France and Germany and such a situation had to be avoided at all costs because it would be to the detriment of both countries and Western Europe.

However, "it would be absurd to deny" that Herr Brandt's policy of rapproachment with Eastern Europe, which France had all along encouraged, raised certain questions about the future development of Western Europe.

The French President was mildly encouraging as far as Britain is concerned, when asked about France's policy towards a common European regional policy and the setting up of a Regional Fund. While arguing at some length against the view that France was morally obliged to agree to such a policy in return for all the benefits it had received under the common farm policy—Holland had benefited even more than France, he claimed—M. Pompidou reminded his audience that he had instructed the French delegation at last year's European summit to adopt a positive attitude towards a common regional policy.

On the eve of negotiations within the Common Market on this matter, he could obviously not reveal his Government's negotiating hand, but he added, significantly, that France would not adopt a "fierce" stand on regional policy.

The main point of interest in M. Pompidou's remarks on international monetary questions, which were mainly a repetition of France's well-publicised position at Nairobi, was a thinly-veiled hint that a new International Monetary Fund should not be located in Washington. The new Fund should not be subject to the pressures of any particular countries by virtue of its location, he said.

On monetary reform itself, M. Pompidou said there could be no stable international monetary system without controls on short-term capital movements and that gold would have a continuing, if diminished, role to play. Central Banks must be allowed both to sell and buy gold at reasonable rates and countries should be enabled to settle permanent deficits in gold "to some extent."

French gloom on jobs, prices and inflation

BY GILES MERRITT PARIS, Sept. 27.

BOTH THE French cost of living index and the unemployment rate took a sharp turn for the worse last month, according to official figures released here to-day.

With August's rise of 0.7 per cent., the Finance Ministry has announced that prices here have risen by an overall 7.5 per cent. during the past 12 months. These figures are based on the official INSEE index (based at 100 in 1970) which stood at 120.2 in July and last month reached 121.

However, it is being pointed out that in fact the French inflation rate is considerably higher than these figures would suggest and that the Finance Minister Valery Giscard d'Estaing's anti-inflation package of last December, which temporarily waived VAT on a number of commodities including beef, has masked a real inflation rate of 10 per cent. a year.

With French industry apparently concerned that 1974 will see a marked slow-down in activity and therefore re-engaging personnel at a slower rate, unemployment jumped almost 3 per cent. in August, to 413,000, thus sharply pushing up the 12 month rate to an overall 6.7 per cent.

Soviets launch first manned spacecraft since 1971 tragedy

BY DAVID LASCELLES, EAST EUROPE CORRESPONDENT

AFTER AN INTERVAL of more than two years, the Soviet Union yesterday launched the latest of its manned spacecraft, the Soyuz 12, on an earth orbiting mission. According to Tass, the two men on board are well and all systems are functioning normally.

It was not immediately clear how long the mission would last, but the object, according to Tass, is to test improved flight systems and examine the earth's surface "to obtain data for the solution of economic problems."

Soyuz 12 is Russia's first attempt at manned space flight since the disastrous Soyuz 11 mission in June, 1971, in which three cosmonauts died as they were returning to earth after their record-breaking 24-day flight. Since that time, the only reported launches have been of satellites and the unmanned Salyut series.

However, although yesterday's successful launch marks the Russians' re-emergence in the field of manned space flight, they are now far behind the Americans, particularly after the recent successful Skylab missions.

Their aim must now be to make up for lost ground in preparation for 1975, when they are due to rendezvous with the Americans in space. Yesterday's launch, therefore, is almost certainly the first of a series.

Co-operation in space technology between the U.S. and the Soviet Union has intensified since the signing of the space agreement in May, 1972, but the exchange of information has tended to be one-sided so far because of the American lead.

Sir Alec accepts Moscow invitation

BY DAVID LASCELLES

SIR ALEC Douglas-Home, the Foreign Secretary, announced last night that he is to visit Moscow before the end of the year. The invitation came from the Soviet Foreign Minister, Mr. Andrei Gromyko, and was extended to Sir Alec at the United Nations in New York earlier this week, where both Ministers are are attending the current General Assembly Meeting.

The invitation means that Anglo-Soviet relations are now back to the stage they reached before they were soured by the expulsion of more than 100 Soviet diplomats from London in 1971. For at that time Sir Alec was due to visit Moscow but the invitation was withdrawn by the Russians in protest at the expulsions.

There have been signs for several months that the Russians wished to improve relations again. The visit to Moscow by Mr. Peter Walker, the Secretary of State for Trade and Industry, in the Spring has been followed by comments in the Soviet Press suggesting that an improvement would benefit both countries. However, the Foreign Office wished to see concrete signs of progress before it would grant that an improvement was taking place. The renewal of Sir Alec's invitation was to be taken as such a sign.

Sir Alec said last night that no definite dates have yet been fixed for the visit.

More Jews receive visas

BY DAVID LASCELLES

ACCORDING to reports from Moscow, several more Jews wishing to emigrate to Israel have received exit visas from the Soviet authorities. They include Arkady Shpilberg, the Latvian Jew released from labour camp last month after serving three years for complicity in the Leningrad hijack attempt of 1970.

Many of the visas were granted to people who had earlier been denied them.

The Soviet move coincides with discussion in the U.S. House of Representatives Ways and Means Committee of the Trade Bill, with its section withholding Most Favoured Nation treatment from the Soviet Union until it liberalises its emigration policy. However, news of these latest concessions came too late to affect the Committee vote on Wednesday evening, when this section of the Bill was upheld.

There was no reaction yesterday from the Russians to the Committee vote. But Mr. Brezhnev said last week that he was not prepared to "haggle" with the West over internal matters.

Soviet authors taxation move

MOSCOW, Sept. 27.

THE GOVERNMENT decreed today that in future it will take the lion's share of any royalties earned by Soviet authors on works published abroad.

The decree, published in proceedings of the Supreme Soviet, imposes income-taxes ranging from 30 per cent. to more than 70 per cent. on royalties earned abroad. It provides much lower taxes for Soviet works published at home, ranging from 1.5 per cent. to just over 8 per cent.

The decree also provides that foreign authors whose works are published in the Soviet Union will be taxed at a rate equivalent to the taxes Soviet authors must pay in the foreign authors' homelands.

UPI

Fresh Iceland ultimatum as Heath urges 'truce'

BY DAVID WHITE

ICELAND has raised its stakes in the fisheries dispute with Britain with a further ultimatum saying it will break off diplomatic relations unless all British naval vessels and tugboats are removed from within the 50-mile fishing limit by October 3.

The announcement was followed by news of another collision off Iceland, between the frigate HMS Whitby and the Icelandic gunboat Thor. A Ministry of Defence spokesman said Thor had been steaming dangerously close, had turned suddenly and struck the Whitby on the port side. The frigate sustained superficial damage.

Mr. Heath had proposed a "truce" in the dispute on Wednesday, in a personal message sent to Mr. Olafur Johannesson, the Icelandic Prime Minister, the Foreign Office revealed last night. He had sought to establish a "modus vivendi" under which Britain would withdraw its naval vessels from the disputed fishing area, on condition British trawlers in the area would not be harrassed.

In a statement on yesterday's decision by the Icelandic Cabinet, the Foreign Office said it still hoped Iceland would respond to Mr. Heath's appeal for reconciliation. "The proposal remains on the table," it said.

Mr. Johannesson said last night "I cannot disclose the contents of Mr. Heath's letter, because it is a personal letter, but I expect to answer it to-morrow."

Mr. Johannesson said it was also possible that the British would regard the Icelandic Government's decision to-day about the ultimatum to an answer to the letter.

Sir Alec Douglas-Home, Foreign Secretary, who is attending the U.N. General Assembly, told a Press conference that Iceland would be "quite unjustified" in breaking off relations next Wednesday as threatened. "We are totally within international law," he declared.

This is the first time Iceland has set the withdrawal of British warships as its condition for maintaining diplomatic ties. The Reykjavik Government announced two weeks ago it would sever relations if there were any more ramming incidents in the waters Iceland claims as its own. Since May it has refused to renew talks on the fishing dispute as long as British naval ships remain in the area.

The decision was taken at a meeting of the Icelandic Cabinet yesterday afternoon. The British Ambassador in Reykjavik, Mr. John McKenzie, was informed of the latest ultimatum by telephone.

Postponement

It had been widely expected that severance of relations would have been decided upon at yesterday's Cabinet, but its decision effectively postpones the action for another week, since the possibility of the situation changing markedly before the October 3 deadline seems remote, despite yesterday's assertion by Mr. Einar Agustsson, the Icelandic Foreign Minister: "We wanted to give the British a chance to take their frigates and tugboats out of the 50 miles."

If Iceland does go ahead and sever relations next week, it will be the first time such a break has occurred between two NATO nations, and will clearly cause some embarrassment at Alliance headquarters in Brussels.

'Crucial phase' for Italy's government

BY PETER TUMIATI ROME, Sept. 27.

THE NEXT three weeks will be decisive for Italy's new Centre-Left Government according to the Treasury Minister, Sig. Ugo La Malfa. In an interview published by the magazine L'Espresso to-day he said that if the Government succeeds in solving the problems which will come up in the next 20 days "we shall have enough time ahead of us to face successfully basic questions such as revising the administrative structure of the State and reforming the State itself."

He revealed that he had written to the Prime Minister emphasising his fear that the recent settlement of the railwaymen's claims might trigger off pay demands from local government and hospital employees.

If those claims came and were not resisted then a wave of pay demands from the employees of industry would be unleashed. He said that in the past two months the Government had achieved some results in its struggle against inflation. "But they are still very precarious."

According to the Treasury Minister the root causes of inflation in Italy have not been dealt with. He listed some of them as the excessive cost of Italy's public administration, the "enormous size" of useless expenditure, the Treasury deficit, the "manœuvres of financial groups" and the profit derived from speculation. "There is inflation because in recent years the political class has been either weak or corrupt or both," he said.

The recent cholera outbreak, according to Sig. La Malfa, had shown to what extent the structure of the Italian State was in shreds. It had brought to light a crumbling local administration, "ghost" city garbage collection services, and "a sanitary organisation which makes one blush."

Irish pay talks to go ahead

By Dominick J. Coyle

DUBLIN, Sept. 27.

THE LEADERSHIP of the Irish Congress of Trade Unions, whose affiliated unions represent some 600,000 workers, was to-day authorised to open exploratory talks with employers and the Government on a third national pay agreement.

A special delegate conference of Congress voted here by a majority of roughly two to one in support of opening negotiations. Preliminary talks have been arranged for to-morrow with officials of the Federated Union of Employers.

It was evident at to-day's Liberty Hall meeting that most delegates envisage a tough and protracted round of negotiations within the national employer-labour conference with no guarantee that a new agreement acceptable to the majority of trade unions will, in fact, be forthcoming.

New move in Belgium's language row

By Lorelies Olslager

BRUSSELS, Sept. 27.

AS A RESULT of the language war between Flemings and Walloons, no more foreign workers will be given work permits for the Flemish part of Belgium for the time being.

The Employment Ministry has issued a decree to that effect because it wants to prevent foreign workers from running foul of a new law which makes Dutch the only language allowed for communications between employers and employees in Flanders. The decree does not apply to Dutch-speaking foreigners and citizens from the other EEC member countries, the latter because they do not need a work permit.

The law was passed by the Dutch Cultural Council, the legislative authority for Flemish cultural matters, earlier this month.

It has already caused some concern among foreign businessmen in Flanders mainly because of the wide powers it gives to Government inspectors who are supervising its implementation.

...ast Germans negotiating ...th U.S. car makers

E COLITT

BERLIN, Sept. 27.

MANY has had pre- ...etings with U.S. car ...etting up production ...the country.

...anies took the initia- ...recently and were ...t a knowledgeable ...rade source calls an ...ic and immediate" ...by high-level East ...cials. The Americans, ...idually for their com- ...the East Germans in ...to present their pro-

...which auto makers ...d has not been an- ...it they are said to in- ...ast one group repre- ...U.S. parent company ...erman auto producer. ...al Motors, with its ...and Ford have sub- ...West Germany.

...ast Germans are ...have had political ...preferring to deal ...h Detroit rather than ...or Opel in West Ger- ...t now. East Germany ...he only member of ...aving no industrial ...th West Germany or ...ern companies.

...nths ago, the West ...ress reported that ...acts had taken place ...e East Germans and ...German car-maker, ...Motorenwerke.

There have been no indications whether the talks have gone beyond this stage.

It is not yet clear what the Americans and East Germans have in mind. One possibility mentioned is that the East Germans might be interested in a plant that would produce a car using design and technology from the West German plants of the U.S. companies. It would then be produced under an East German label, in the same manner as the Soviet Fiat, called Lada, or the Romanian Renault, named Dacia.

An official close to the negotiations says the East Germans would certainly insist on having the controlling financial interest and management control over any joint project.

Air polluters

East Germany currently produces 140,000 cars a year, divided up between two models, the Wartburg and Trabant. Both have two-stroke engines but the smaller Trabant is air-cooled and has a fibre-glass body. At an East German price of 8,000 marks (East German) it is one of the cheapest East European cars and is widely driven in other socialist countries. However, the oil-gulping East German engines are major air polluters and have been long scheduled for replacement.

For four years East Germany and neighbouring Czechoslovakia have been negotiating with little success on rationalising their car production through integration. A political decision was taken by the two countries' leaders and an agreement signed. But Czechoslovak sources say the experts have been unable to reach unanimity on the technical and financial details. The Skoda Company in Czechoslovakia has been developing a four-cylinder engine which could be used in a Wartburg and Skoda body. The East Germans, however, feel it is not good enough to warrant halting production of their engines.

Meanwhile, the Czechoslovaks are having second thoughts of their own. They feel the time has come to emulate other socialist countries and enter into an agreement with a Western automobile manufacturer. There are persistent reports from Prague of unnamed West European auto makers showing such interest.

The inability of East Germany and Czechoslovakia to link their national automobile production may explain the sudden interest in East Berlin and Prague in Western car companies.

ITALY

Taking off the economic blinkers

BY ANTHONY ROBINSON

A REVOLUTION seems to be taking place in the treatment of economic themes in Italy. The empty rhetoric of earlier Centre-Left Governments, with their windbag promises of drastic reform, accompanied by a steady decline in the efficiency of the public administration to carry them out and by a parallel decline in business confidence, investment and the state of both public and private finances, seems to be on its way out.

Take, for example, a speech of the Socialist Planning and Budget Minister, Sig. Antonio Giolitti. "The Government has begun an anti-inflationary policy and is promoting the type of investment needed for reform—for example, the ten-year investment plan of the State Railways, the go-ahead for 11 new electric power stations, and a series of new initiatives in the mezzogiorno. But the Left-wing opposition and the unions, while they call for new investment, in reality are pushing in the direction of private cosumption, that is to say improvements for civil servants, lower taxes, higher pay, State-subsidised petrol, and so on." At this point he came to the most crucial part of his speech. "Instead of reform and development the Left is really calling for both reform and consumption. That is simply not possible. Development and growth can and must feed reforms—higher consumption just dissipates the resources needed for this purpose."

Deaf ears

That is fighting talk from a Socialist Minister and member of the economic troika which co-ordinates the Government's economic stategy. It is the same message which the Republican Party leader, Treasury Minister Ugo La Malfa, has been preaching to deaf ears for the last decade. But the fact that a Socialist Minister should now feel strong enough to say the same things without being howled down by his own supporters, and indeed be listened to with respect by the hard-nosed business community of Milan, is a very significant development indeed.

Does this mean that all is sweetness and light, that the Italian capitalist lion will henceforth lie down with the trade union sheep to agree amicably on the formula "you invest more and particularly in the south, and we shall work harder, be more flexible and not ask for higher wages?" *Non esageriamo* (don't let's exaggerate), as the Italians say.

After all the argument has to be sold to a labour force which has seen a significant part of its higher wages disappear through one of the steepest rates of inflation in Europe. Retail prices rose by 10.5 per cent. in the six months up to the July 16 price freeze, wholesale prices rose by 13 per cent. It is true that the price freeze does appear, so far, to have been extraordinarily successful. But experience elsewhere, which shows how inflationary pressures can accumulate behind a price freeze dam, plus the other inflationary material at hand, must put a question mark over the longer term trend.

The bulk of the lire7,700,000m. (£5,500m.) budget deficit expected in 1973, for example, will have to be financed over the last quarter of the year while several labour contracts—such as that of the rubber and plastics workers and the plant-by-plant bargaining over the engineering workers' contract affecting nearly 1.5m. workers—will almost certainly have an inflationary effect. The great unknown here is how far strikes can be avoided and monetary claims kept to a minimum in deference to moves for better working conditions, and to the overall reform versus consumption strategy of the Government.

The prospects at the moment can only be described as touch and go. The three trade union confederations—which represent the increasingly statesman-like summit of the trade union movement—are pushing as hard as they can for a reform plus Southern Italy development strategy. But they are one step removed from direct rank and file pressure from workers who are increasingly restive about more expensive rents and food

Antonio Giolitti—fighting talk from the Planning and Budget Minister.

and the lack of progress to date with basic reforms. Some strikes and some concessions to higher pay seem unavoidable this autumn. The official union leadership and the shop steward system can only ignore such pressure at the risk of leaving open a dangerous vacuum to their left. But the stakes involved over the next few crucial months are frighteningly high.

Thanks to a complex mixture of factors the Italian economy has definitely shaken off the recession which stubbornly dogged it for two years. Industrial production rose by 15 per cent. in July and by an average of 6.1 per cent. over the first seven months of this year. Exports are rising again and imports have begun to go down after the largely speculative burst of raw material and other imports in the first half which pushed the current account deficit up to Lire 1,130,000m. over the first seven months compared with a surplus of Lire 270,000m. in the same period a year ago.

The recent improvement of the economy is due to a complex series of factors such as the world wide boom; an effectively devalued currency; the need to rebuild stocks and undertake new investment after years of recession; and the stimulus of higher prices. But all the structural weaknesses of the Italian economy—from the primitive sewerage of cholera-stricken Naples to an elephantine public administration—remain and have got worse. If this analysis is an accurate one, then the rise in output is really the only positive factor going for the economy at this time. This recovery has to be nurtured and the real resources made available must be diverted into the productive investment and reform channels indicated by the Government.

If heavy strikes damage production and high wage claims or credit shortages raise costs, cut profits, and reduce business confidence and investment, then the outlook looks bleak indeed. If the economy does falter again, it is likely to do so against the background of the tailing off of the current world wide boom. That would leave a badly undermined economy with all its social, political and economic infrastructure problems unsolved and without the resources to do anything about it.

Looking over the precipice—as Italian politicians are now summoning the courage to do—the prospects are social and economic conflict in the northern industrial cities, increasing outbreaks of civil violence in Reggio Calabria, Naples and the abandoned South generally, and that political polarisation which would erode the Centre to the advantage of Neo-Fascists and Communists.

This is not make believe. It is the kind of alternative which responsible politicians now openly foresee if Italy does not grasp the opportunity which has been presented by the formation of a new Centre-Left Government. For the first time it enjoys constructive opposition from the Communists (who are among the first to recoil from the prospect of paving the way for another Neo-Fascist revival) and a new spirit of co-operation from the trade unions, as well as a new found but fragile respect from business and industry.

Tough choice

This new found willingness to look problems in the eye has helped to link the individual components of a complex situation into a coherent strategy. Lower consumption is required to release funds for developing the South; limited Government spending is seen as the prerequisite for the required amount of private investment and so on. If the words of Italy's politicians, trade union leaders, and businessmen are to be believed, therefore, Italy has come around to the public admission that in Italy as elsewhere resources are limited and tough choices have to be made.

It is in the growing recognition of this fact that the principal hope lies for the eventual emergence of an economy which will produce sewers, hospitals, schools, houses and a decent standard of living in the South, and not just a shaky continuation of the present system of private wealth and public squalor.

...C code of conduct ...ed for regions

...ERT CORNWELL

LA GRANDE MOTTE, Sept. 27

...RENCH Planning ...M. Olivier Guichard, ...ested a European code ...to help fight the im- ...eated by excessive ...ation of the rich ...e of the Continent. ...osing address to the ...European Regional ...conference here, M. ...said that this over- ...on in the belt running ...English Midlands in ...to the Po valley in ...south, and the accom- ...ay in the quality of ...were perhaps the ...s faults of the overall regional development in Europe.

The need to improve the "quality of life," as well as merely pressing ahead with economic growth was frequently emphasised here, during the three days of the conference.

According to the resolutions adopted this morning, the Council of Europe, under whose auspices the conference was held, will study ways of improving trans-national co-operation for the mountain and frontier areas of the Continent. Work on evolving a guide line for a comprehensive transport policy will also be intensified.

Big changes in Danish Cabinet

By Hilary Barnes

COPENHAGEN, Sept. 27.

PRIME MINISTER Anker Joergensen to-day announced a major Cabinet re-shuffle.

The changes became necessary when Minister of Defence, Mr. Kjeld Olesen, took over as deputy chairman of the Social Democratic Party. In his place comes Orla Moeller, 57, a former Minister for Church Affairs, and since 1971 the party parliamentary group leader.

The other major change is a division of the Budget and Economy Ministry between two Ministers. Mr. Per Haekkerup will retain the economy department while Minister of Education Knud Heinesen, one of the younger members of the Cabinet, takes over as Budget Minister. Mr. Henry Gruenbaum remains as Minister of Finance.

German metal union to hold urgent talks

By Andrew Hargrave

FRANKFURT, Sept. 27.

THE EXECUTIVE Board of the giant West German metal-workers' union will have an emergency meeting next Tuesday to decide on its next step following the breakdown of arbitration attempts over a new fringe benefits agreement in respect of 400,000 workers in the Stuttgart area.

The union's two main demands—guaranteed minimum for piecework and a five-six minutes' hourly break for assembly workers, the so-called "recovery break"—was in the main supported by the independent arbitrator but rejected by the employers.

The local employers argue that the first one would destroy the whole idea of incentive and the second effectively reduce the working week to 36 hours from the present 40 hours. Both would add substantially to the annual wage bill.

The employers' refusal—and the union's insistence on these two points—are reflections of the power struggle building up in the Federal Republic. Concessions on fringe benefits in the Stuttgart area would have been seen as a signal for similar advances in the whole of the Federal Republic where the union, with its 2.3m. members, negotiates on behalf of well over 4m. people.

Tanaka talks centre on Kissinger's charter plan

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, Sept. 27.

THE KISSINGER plan for a new Atlantic Charter, linking the U.S. with Western Europe and Japan, is expected to be the major subject of discussion in talks between the Japanese Prime Minister, Mr. Kakuei Tanaka, and European leaders which began in Paris to-day. Mr. Tanaka meets Mr. Heath at the week-end.

This issue may well eclipse the bilateral trade questions which will also be on the agenda for the meeting with Mr. Heath although the British Prime Minister will certainly want reasurances about the prospects for closing the Anglo-Japanese trade gap.

The Heath-Tanaka discussions will take place against the background of the recent Copenhagen meeting of EEC Foreign Ministers when a collective European attitude to the Kissinger plan was decided upon. Discussions have also been taking place this week at the UN between Dr. Kissinger and the Japanese Foreign Minister, Mr. Masayoshi Ohira.

During this meeting Mr. Ohira is believed to have submitted a Japanese draft for a U.S.-Japan joint declaration which could eventually be incorporated into the Kissinger charter.

It is now felt that the time has come to discuss how Japan's relations with Europe would be affected by the Kissinger plan and in particular whether there is a case for a joint EEC-Japan "Declaration" to parallel that between the EEC and the U.S.

Japan's interest in the Kissinger plan represents a sharp reversal of its original lukewarm position. This was coloured by fears that the country might be drawn into a "defence pact" with Western nations which would violate the country's pacifist constitution.

The Japanese have now apparently satisfied themselves that defence issues will be dealt with separately—leaving the Kissinger charter as a broad statement of political and economic objectives linking the major Western countries.

Japan is anxious for an opportunity to "institutionalise" its position as one of the leading non-Communist countries and sees Dr. Kissinger's plan as a useful means of achieving this. Japan's interest in the plan has also been distinctly enhanced by the recent signs of U.S. sympathy for its emerging international aspirations.

British view

Dr. Kissinger's explicit statement of support for Japanese membership of the UN Security Council has been welcomed in Tokyo and the Japanese are enthusiastic about U.S. hints that President Nixon may pay a visit to Tokyo before the end of the year.

From the British point of view the involvement of Japan in the Kissinger plan represents an opportunity to end Japan's "outsider" status in relation to many world problems including international aid, the planning of energy supplies and the handling of environmental problems.

It is felt that closer contacts between Japan and Europe are needed in relation to all these issues, but the problem remains of how to draft a Japanese-European "Declaration" which would not be, either too general to be meaningful, or too narrowly concerned with existing bilateral trade frictions.

Another weakness in the project of a formal EEC-Japan declaration is that no obvious occasion exists for its adoption. President Nixon's visit to Tokyo is likely to be the occasion for publishing a U.S.-Japan declaration but no similar opportunity seems likely to present itself so far as Europe is concerned.

The procedural problems posed by Japan's involvement in the Kissinger plan are not expected to be discussed in detail between Mr. Heath and Mr. Tanaka. However both men are likely to place very heavy emphasis on the need for strengthening EEC-Japan relations as a counterpart to EEC and Japanese relations with the U.S. The same theme will recur when Mr. Tanaka goes to Bonn next week for meetings with the West German Chancellor, Herr Willy Brandt.

Tanzania changes entry rule

BY DAVID MARTIN

DAR-ES-SALAAM, Sept. 27.

TANZANIA HAS changed its nine-day-old policy under which anyone with a South African. Rhodesian or Portuguese stamp in their passport was to be automatically declared a prohibited immigrant.

According to reliable sources here to-day, the only people who will not be allowed in if they have stamps from these countries in their passports are those arriving at Tanzania's borders in their own cars, by bus or, in the case of hitchhikers, on foot.

People who have these stamps in their passports and arrive by air, sea, on organised package tours or through tour operators will be allowed to enter Tanzania irrespective of the stamps in their passports.

Since the original order came into effect on September 18 banning anyone who had stamps in their passports from the proscribed countries, at least 63, and possibly many more, people are known to have been declared prohibited immigrants.

These included a group of 46 American tourists turned back at the frontier post of Taiveta on the border with Kenya. "That meant we lost 46 tourists who had booked into Government-owned hotels for four nights each," one official said here to-day.

Sources said that the move was on security grounds and it follows the conviction last month of a British freelance television cameraman, Percy Cleaver, who lives in Johannesburg, who was sentenced to a total of three years' imprisonment for espionage.

What the new orders means is that immigration control of visitors who have been to southern Africa or Portugal will now be considerably tightened.

By sea they can only enter at Dar es Salaam or the northern port of Tanga. By air arriving from the south they can only disembark at Dar es Salaam or Kilimanjaro and from the north only at these two airports plus Mwanza, Tanga and Zanzibar.

Immigration controls are more effective at all these points than, for instance, at some of the more remote southern frontier outposts where it can take weeks before returns are received here of whom has entered the country.

The total ban imposed on September 18 threatened to hit the tourist industry hard as many package tours, particularly American, visit southern as well as eastern Africa.

"And how, for instance, could we enforce it against a man like World Bank President Robert McNamara or others who, we must accept, in the course of their work must visit both north and south of the Zambesi," one official observed to-day.

MOZAMBIQUE

The guerillas consolidate

BY DAVID MARTIN

THE WAR in the Portuguese East African colony of Mozambique entered its 10th year this week with the struggle between Lisbon and guerillas of the Frelimo liberation front in a critical phase.

Liberation wars as a rule gather their own momentum. In the nine years since Frelimo began the war with only 250 guerillas, it has been a long uphill struggle for what to-day is undoubtedly Africa's most successful liberation front.

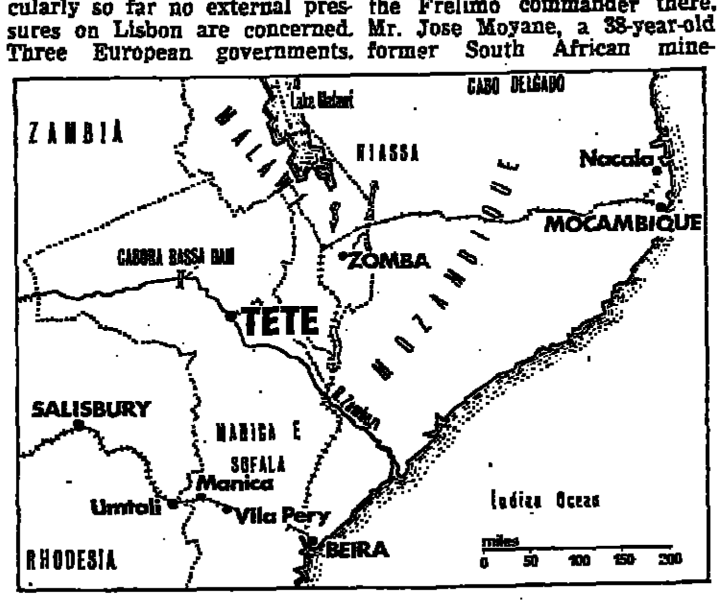
Now Frelimo leaders feel that they have turned the corner and that the next two years will decide the outcome in Mozambique. They are fighting in four provinces. In the north, bordering on Tanzania, there is Niassa and Cabo Delgado. In the West there is Tete bordering on Malawi, Rhodesia and Zambia and directly to the south-east of this Manica e Sofala, the gateway to southern Mozambique.

Mobilising

Frelimo make no bones about the comparative difficulties they had in mobilising the civilian populations in the first three provinces. There is limited Portuguese settlement in these areas—and very few people at all in Niassa—which meant that the people in them had had, apart from anything else, less exposure to colonialism.

This in turn meant there was less political awareness. But in Manica e Sofala Frelimo guerillas and political educators say they have found that in little more than a year the response has been as fast as in the five years since the offensive in Tete began. This is predictable enough and Frelimo leaders are confident that as they press further south towards the capital Lourenco Marques they can count on mounting support from the civilian populace.

Trying to make predictions of the patterns which will emerge in a guerilla war such as Mozambique in the next couple of years is a hazardous business. There are many imponderables particularly so far no external pressures on Lisbon are concerned. Three European governments.



Denmark, Norway and Sweden, are already openly aiding Frelimo. But this is tied assistance of the books and bandages kind and delivered in goods not cash.

The recent Netherlands declaration that it too will support Frelimo is a critical development for it could set a precedent. The Dutch have yet to decide how aid will be given. It will be either through some UN agency, and hence of a non-military nature, or direct to Frelimo without any strings attached—which would mean that military equipment could be purchased. In Britain Frelimo Vice-President Marcelino dos Santos, on a recent visit, was surprised at the amount of interest he found in the Labour Party and among trade unionists.

There are within the guerilla war itself three fairly safe predictions to be made about the trend in the next year or so. When I visited Tete in August, the Frelimo commander there, Mr. Jose Moyane, a 38-year-old former South African mine-worker, said the principal task now in the province was consolidation.

Tete is the key to Mozambique and the colony in turn the key to southern Africa. Supplies for guerillas operating in Manica e Sofala, and those destined to fight further south, must pass through Tete. The advance as far south as Vila Pery on the Umtali-to-Beira road and rail links which carry much of land-locked Rhodesia's trade, has been impressive in little more than a year.

Frelimo has considerably extended its supply lines and it now takes three weeks or more to march supplies to the guerillas operating furthest to the south. So in the first place Frelimo must secure those areas through which supplies pass.

Secondly, and this trend has already emerged, Frelimo can be expected to attack Portuguese camps and garrisons in the "liberated areas" in larger numbers. The term "liberated areas" is in fact something of a misnomer, for Frelimo describe it as meaning only that a Portuguese administration no longer exists in the rural areas. Large Portuguese bases are still in the areas Frelimo describe as liberated and these have to be tackled as part of the process of consolidation.

Fighting full-scale battles against an enemy which controls the skies, generally has better support weapons and has ground transport, where Frelimo has none, poses obvious problems for the guerillas. So the second trend is very much linked to the third, which will be improving Frelimo's armaments.

Mr. Moyane and other guerillas whom I spoke to in Tete were quite open about the shortage of arms. The Portuguese, as an example, claim that last month's second attack on Tete town was made with 122 mm rockets. Mr. Moyane denied this and says his heaviest weapons are 75 mm and 85 mm artillery. He adds he wished he had 122 mm rockets and there seems little point in the denial if it is not true. Many of the guerillas' personal weapons have a well-used look and Mr. Moyane says there are just not enough to go around all the trained men.

China and the East European countries at present supply all the arms for the simple reason that no-one else will. Avalability for Frelimo hinges in part on demands from Indochina and Middle East tensions, but there are indications that increased and improved supplies will arrive early next year.

In Cabo Delgado and Niassa, Frelimo say they have consolidated their civilian base with schools, co-operatives, a village structure and medical centres. Groundnuts, sesame seed, cashew nuts, beeswax and Makonde carvings are among the items being sold to Tanzania in return for supplies for the Frelimo shops, and a Frelimo commerce officer left for Europe this week to open up direct trade links with the Scandinavian countries.

New fronts

But here again Frelimo must try to deal with Portuguese garrisons and it seems probable that new fronts will be opened on Mozambique and Zambezi provinces to the south in the next two years. The Nacala-to-Malawi and Beira-to-Rhodesia railways pose special problems for Frelimo, for the former is being used by Zambia following the shut down earlier in the year of communications through Rhodesia and in the case of the latter diplomatic sources insist that Zambia is still using Beira. Frelimo say that Cabora Bassa remains a target, despite arguments that it makes more sense to let the Portguese build the hydroelectric plant and then stop the power going out. But it is only one target of many, and Frelimo insist they will not be drawn into concentrating on the dam by statements that they can not destroy it—which at presen they probably cannot.

In the final analysis there seems little likelihood of a classic military solution in Mozambique. Frelimo's declared intent is to cover the whole colony with an armed struggle and if they can consolidate and expand the war, a point must come, Frelimo feel, where this, coupled with international and domestic pressure, must force Lisbon to rethink its whole African poicy.

Libya warns against foreign intervention on oil supplies

BY JOHN WORRALL

NAIROBI, Sept. 27.

LIBYA BELIEVED it was morally obliged to make oil available to the international community, said Treasury Minister Mr. Mohammed Zaprough Ragab, at the World Bank-IMF plenary meeting here to-day.

But, he said, there had to be "due consideration of the needs of the country's economic and social development needs," and it must be "within the rules of preserving Libya's major national resources as well as the principle of the State's sovereignty over its natural resources."

Mr. Ragab said that "given the special circumstance of the Libyan Arab Republic as a producer of a diminishing asset, it would not accept any intervention in its freedom with regard to the level, composition and management of its reserves." Libya made every effort to extend aid and to help in financing development projects in many developing countries, particularly in Africa.

Meanwhile, there has been a somewhat ambivalent reaction by some nations to World Bank president McNamara's plans for massive new aid to the poorer developing countries.

Mr. Ragab said it was worth stressing that the harm incurred by developing countries which hold their reserves mainly in the form of the currencies of major industrial countries was attributed to the selfishness of the big powers. He added: "It is obvious that the developed countries seek first of all to protect their own interests, and as a result there is a continuous reduction in the value of some currencies on one hand, and the floating of other currencies on the other, resulting in great losses and financial disturbances to the developing countries."

Brazil's Minister of Finance, Mr. Antonio Delfim Netto, pointed out that to bring about a change in the climate that pervades development finance would require a work of partnership between the transferors and transferees in the flow of real resources.

"This work of partnership involves the problem of the ultimate freedom of choice and policy mixes by the national authorities in the recipient countries who have the responsibility of promoting economc development, and the advice dispensed by national and international development finance agencies, together with the funds they provide."

Mr. Netto said there needed to be a genuine dialogue over objectives and policies between the two parties "in this grandiose play" if it were to be beneficial to both.

OPEC pledge to Khedaffi

BY RICHARD JOHNS, MIDDLE EAST CORRESPONDENT

THE WORLD'S major oil producing states have promised that "appropriate measures" will be taken if the oil companies resist Libya's 51 per cent. take-over of their operations.

In a statement issued yesterday, Exxon said that it would take action against any authorised purchaser of crude from its Libyan concessions—though as yet its operations have not been affected because the government has not asked it to sign bills of lading saying that 51 per cent. of exports are the property of the state.

Texaco has filed a suit in an Italian court to assert its right of possession over a cargo of oil shipped from the field which it operated with Standard of California. The latter has told the Financial Times that it is a party to any legal action taken by Texaco.

The resolution adopted by the Organisation of Petroleum Exporting Countries on September 16 and officially published yesterday, says "in case certain oil companies take individual or colective actions to hinder the implementation of the decision taken by the Libyan Government in the fulfilment of its sovereign right, the conference shall take the appropriate measures which it deems necessary."

The oil companies directly concerned are Exxon, Mobil, Texaco, Standard Oil of California and Shell. They have not complied with the Tripoli decree of September 1.

Restrictions on Russians in Syria

By Ihsan Hijazi

BEIRUT, Sept. 27.

THE GOVERNMENT of Syria has imposed restrictions on the movement of Soviet technicians inside the country amid signs of a strain in Syrian-Soviet relations.

This was reported to-day by the leading daily Al Nahar here, which attributed its information to informed Arab diplomatic sources. The story said the restrictions applied especially to the Soviet military technicians serving with the Syrian armed forces.

According to the newspaper, the measure followed an argument recently between Syrian Foreign Minister Abdel Halim Khaddam and the Soviet Ambassador in Damascus, Nureddin Mohieddinov. Mr. Khaddam, the story said, charged the technicians had been violating instructions by the Syrian authorities regarding their activity and movement while in Syria.

The paper did not elaborate, but quoted the Arab sources as reporting that Moscow has shown concern over what Moscow regards as attempts by certain leaders inside the Syrian regime to break the strong bonds between the two countries.

According to the same sources, Mr. Khalid Bakdash, first secretary of Syria's Moscow-oriented Communist party, in a recent memorandum to President Hafez Assad, threatened to take his party out of the Syrian National Front if relations with the Soviet Union are undermined.

Since early this month, the Press here has been filled with speculations about a strain in Soviet-Syrian relations, reportedly arising from Moscow's reluctance to provide Syria with more sophisticated weapons.

هكذا من الأصل

IE NEW JAGERSFONTEIN NING AND EXPLORATION COMPANY LIMITED

(Incorporated in the Republic of South Africa)

NOTICE TO MEMBERS

REDUCTION OF CAPITAL

an Extraordinary General Meeting of Members held August, 1973, a special resolution was passed reducing horised capital of the company from R2 000 000 divided 000 000 shares of R2.00 each to R1 620 000 divided 000 000 shares of R1.62 each and reducing the issued from R1 700 000 divided into 850 000 shares of R2.00 R1 377 000 divided into 850 000 shares of R1.62 each.

application has been made to the Northern Cape 1 of the Supreme Court of South Africa for an order ing the reduction of capital and that Court has issued nisi calling on interested parties to show cause by tober, 1973, why the reduction of capital should not firmed by the court.

terms of the authority conferred on them the directors solved that, subject to the reduction in capital being ed by the Court and subject to the registration of urt order by the Registrar of Companies, a return cents per share be made to members registered in oks of the company at 12th October, 1973, and to the of share warrants to bearer.

is return of capital is payable in the currency of the ic of South Africa.

eques in payment will be posted from the head office company and the United Kingdom office of the transfer ries on or about 25th October, 1973, to registered olders who have lodged their share certificates for nent prior to that date. Cheques in payment in respect registered share certificates received after 25th October posted as soon as possible. Payments will be made ordance with dividend instructions already received otherwise advised.

the case of shareholders with registered addresses in or who have mandated dividend payments to addresses ope, or shareholders who have requested payments in warrants will be posted from the United Kingdom ll be drawn in United Kingdom currency. Registered olders paid from the United Kingdom will receive the Kingdom currency equivalent on 18th October, 1973, rand value of the repayment of capital. Any such olders may however elect to be paid in South African y provided that any such request is received at the of the company or the United Kingdom office of the y's transfer secretaries on or before 12th October, 1973. rdance with United Kingdom exchange control require- shareholders resident in the scheduled territories (as in appendices 1 and 2 of the Bank of England notice s amended)) must lodge their share certificates through orised depositary as defined in that notice or through roved agent in the Republic of Ireland as defined in of the Bank of England notice EC10 (third issue).

reholders whose registered addresses are elsewhere Europe or who have mandated payments to addresses of Europe, or who have elected to be paid in South currency in terms of the preceding paragraph will from Kimberley and all warrants posted from Kim- will be paid in South African rand.

y change of address or instruction involving a change e of payment to apply to this repayment of capital e received by the company or its United Kingdom secretaries on or before 12th October, 1973.

reholders must, where necessary, have obtained the l of the South African exchange control authorities applicable, the approval of any other exchange control ies having jurisdiction in respect of such changes.

re-payment of capital to the holders of share warrants er is payable on or after 25th October, 1973, on ent of the relative share warrant with coupons numbers 5 and talon no. 4 attached for enfacement at the London Reception Office of the transfer secretaries, 7 Rolls s, Fetter Lane, London EC4A 1HX. Share warrants er, together with coupons and talon attached, must ed through an authorised depositary or approved agent ied in the above-mentioned Bank of England notices. nents of capital so claimed will, unless the person the share warrant requests payment in rand to an in the Republic of South Africa, be paid in United m currency, and if lodged prior to 15th October, 1973, paid in the United Kingdom currency equivalent of id value of the capital repayments on 18th October, he repayment due in respect of share warrants lodged after 18th October, 1973, will be remitted through horised dealer in exchange in Johannesburg as soon ible after the lodging of the share warrant at the Bearer Reception Office, and the United Kingdom y proceeds arising therefrom will be paid to the who lodged the share warrant.

further notice giving instructions to the holders of warrants to bearer on how to obtain the repayment tal will be published in the press by the London ries of the company on or about 12th October, 1973.

approval of the South African exchange control ties has been obtained for the return of capital to lders not resident within the South African currency.

this payment is a return of capital to members it subject to non-resident shareholders tax or to United m Income tax.

share transfer registers and registers of members closed from 13th October, 1973, to 26th October, 1973, ys inclusive.

are certificates and share warrants to bearer which ged when claiming repayment of capital will be enfaced rd thereon the reduced nominal value of R1.62 per However, despite the fact that the shares will retain nal value of R1.62 per share the company will have ts and no further funds are available for distribution eholders. The shares will therefore have no negotiable nd the enfaced certificates and share warrants to bearer erefore be retained by the company for safe-keeping members specifically request that they be returned n.

plication is being made for the listings of the company's on the Johannesburg Stock Exchange and the Stock ge, London, to be withdrawn with effect from 12th r, 1973, subject to the reduction of capital having been ed by the Court and the registration of the Court order Registrar of Companies.

e directors intend to nominate De Beers Consolidated Limited of Kimberley as Trustee and to pay to such on or about 28th December, 1973, all amounts un- d in respect of repayments of capital and unclaimed ds not forfeited pursuant to the provisions of the y's Articles of Association, to be held by such Trustee benefit of the persons entitled thereto until the said s are claimed by such persons or until such amounts liable to or qualify for payment into the Guardians n accordance with the Administration of Estates Act.

ter vesting such moneys in the Trustee the company ve no assets and liabilities and as it will also have to carry on business application will be made to the ar of Companies to have its name struck off the register panies.

mbers will be advised by advertisement in the press outcome of the application to Court for confirmation reduction of capital and, if applicable, the registration Court order by the Registrar of Companies. In the of the Court confirming the reduction of capital and egistrar of Companies registering the Court order, rs on the United Kingdom register will be sent a to enable them to lodge their share certificates and, applicable, to nominate an authorised depositary/ ed agent as mentioned above.

By Order of the Board,
E BEERS CONSOLIDATED MINES LIMITED
Secretaries.
per: F. M. Hodgson.

Kingdom Transfer Secretaries:
ter Consolidated Limited,
nt House, Station Road,
ASHFORD, Kent, TN23 1QB.

Office:
Stockdale Street,
P.O. Box 616),
KIMBERLEY,
South Africa.
September, 1973.

GOLF: JOHN PLAYER CLASSIC

Gales suspend play

BY BEN WRIGHT

TURNBERRY, Ayrshire, Sept. 27

PLAY IN the second round of the John Player Classic was suspended on the gale- and rain-lashed Ailsa Course here in late afternoon.

This tardy decision was taken when the Australian Jack Newton called for a ruling because he could not stand up to play his tee-shot from the cliff-top tee at the tenth hole. He has just told me: "I am tough enough. I was a Rugby League player, you know. But I could not stand up with a golf club in my hand, and that is the plain truth."

Bernard Hunt, the British Ryder Cup captain, was in the last pairing out at the far end of the course. When he found the seventh green under water, he complained bitterly by telephone to the clubhouse. He asked PGA tournament director Tony Parsonage: "Has this farce to go on?"

The situation as decided by the tournament committee, hurriedly convened to face a ticklish decision, was that the golf balls of those out on the course were to be marked in whatever position they had reached. So the 12 players who had not completed their second rounds will resume them at 9 o'clock in the morning, and the third round will start at 10.

This is a similar situation to one during the 1970 Open Championship at St. Andrews.

Some of those who completed their rounds in the worst of the weather complained bitterly that those who did not may gain a tremendous advantage in the morning if the storm has abated. But the latest news from nearby Prestwick Airport is that very high winds are expected for all to-morrow.

The temperature here dropped to just over 40 degrees, and the wind had reached force 9 to make the whole scene a total shambles.

All players agreed that the bitter cold was the most distressing aspect of a vile day. Both Gary Player, the little South African, who was round in the best of the day's scores, 70, and our own Tony Jacklin, who had just finished when play was suspended, and who brought in a 74, said the weather was the worst they had ever played in and each considerd his round as the best of his life.

Neil Coles, the joint overnight leader on 66, leads those who have completed their second rounds with 141, one under par, after a 75 to-day.

Joint second are Jacklin and the tall Texan Charles Coody, who both had 74's today for level-par totals of 142. Gary Player is next on 145. Among those still to complete their rounds are the brilliant Americans Johnny Miller, the U.S. Open champion (66 yesterday), and British Open champion Tom Weiskopf (69).

Also out on the course when the weather brought play to a summary close were Norman Wood, attached to Turnberry Hotel, who scored 70 yesterday, and Peter Thomson of Australia (71). Another American, Gay Brewer (69), was also going well enough alongside Irishman Paddy McGuirk (71).

Another Irishman, Eddie Polland, caused the great laugh of the afternoon by asking what all the fuss was about. He sent a message for food to be sent out to him since he was waiting impatiently, alone on the thirteenth tee, to finish his round.

Jacklin described the last four holes as absolutely crucial, and that it was impossible to reach the greens at any in the required number of shots. At the 515-yard par five 17th hole, he hit a drive, a one-iron shot, and then two full three-iron shots in succession to 5 ft. from the hole for a miraculous par.

Jacklin was unable to get near the green into the wind at the 475-yard par-four third hole with two shots. So he contented himself with drive, four-iron and then a five-iron shot to the green for a five.

At the frightening ninth hole with its drive from the cliff-top over the bay and the swirling surf, Jacklin was blown off balance as he drove, but miraculously fashioned the shot perfectly to get out in 36—thanks to a 10ft. putt.

At the short eleventh, in a fierce cross-wind, Jacklin aimed a four-iron shot at least 30 yards right of the green, and it came curving back to sit down six feet from the hole for a splendid birdie. Incredibly he was unable to get up in two shots at the 395-yard 12th and 385-yard 13th, and he dropped a shot at each.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● ELECTRONICS

All the tubes from ITT

WHEN ONE has only 8 per cent. of the TV colour tube market in Europe and has made a multi-million pound investment in complicated production plant, the now famous axiom of one-time ITT company Avis — "We try harder" — can no doubt be equally justified at the corporation's tube plant at Esslingen, near Stuttgart.

The emphasis is on quality—almost certainly borne out by the excellent consumer organisation ratings in terms of picture quality that ITT sets have achieved — and on offering a wide range of tubes and associated components, often in the form of "tube packages." Output of colour tubes is now running at 600,000 per annum and production covers 90 deg tubes in 22 and 26 inches, 110 wide neck, and 110 thin neck tubes.

The plant also makes various monochrome tubes and thus claims to cover most of the needs that exist in Europe.

The plant has one or two interesting advantages. For example, over threequarters of the direct labour consists of immigrants from countries such as Greece, Italy, Spain, and Turkey who exhibit a degree of enthusiasm and co-operation that can reasonably be expected when, for instance, girls doing light assembly work can earn £40 per week. (c.f. £20 in the London suburbs and £12 to £13 on the West coast of the Irish Republic.

In addition, ITT has come into the colour market a little later than some others — a not untypical move by the corporation concerned to some extent with learning from other people's mistakes and waiting to see "how the cookie will crumble."

Nevertheless, developments are afoot at Esslingen, one of which will be the first offering "during 1974" of the RCA invented precision in-line tube, with integrated deflection components, in the 20 inch size.

These tubes, with their side-by-side guns and built-on toroidal deflection yoke have been well publicised by RCA, but briefly they mean for the serviceman less technically complicated receivers and for the viewer a brighter better coloured image which once set up (with relative ease) is maintained because the precision in-line tube is remarkably insensitive to the earth's magnetic field and to thermal problems.

At Esslingen receiver "packages" incorporating these tubes are developed and show evident component simplicity — a further example of how technology is holding colour set prices down in the face of inflation.

GEOFFREY CHARLISH

Showing the flag in Japan

EMIHUS Microcomponents is to release at Japan's biggest electronics exhibition in Osaka details of a C-MOS digital store circuit for TV remote control.

This new device, which will be complementary to the television touch tuner circuit already announced by Emihus and in volume production at the Glenrothes plant, is in an advanced stage of development.

ERC3064 has the station information stored in an "on-chip" counter and it is retained, when the receiver is switched off, by use of a single 1.2 volt rechargeable cell which powers the C-MOS memory. In this way retention times of six months to one year with the receiver off are easily obtained. This circuit has been designed in conjunction with the technical divisions of two major European TV companies.

In Osaka from October 1 to 7, Emihus will be projecting its ability to produce MOS integrated circuits for the consumer durable market, and will be demonstrating working examples of an electronic hand calculator, line powered digital clocks, and television touch tuner circuits.

The calculator has been totally designed and manufactured by Emihus. It is in volume production and has interesting features including lightweight for shirt pocket storage, 8-digit display of easy-to-read light emitting diodes, performs four arithmetic functions, percentage facility with automatic mark-up or discount, and automatically held "constant" multiplier or divisor.

The digital clock, custom designed for the EEC company, performs on a single MOS circuit in 50Hz, 60Hz or 100KHz operation with 12 or 24-hour display and AM/PM indication when 12-hour operation is used. There is a 24-hour alarm setting and a "Snooze" alarm or "Sleep over" feature, and multiplexed outputs blanked so that both neon and solid-state displays can be used.

The TV touch tuner circuit is a MOS circuit introduced in February, 1972, and marketed universally to major TV manufacturers.

The basic circuit will serve to replace push-button controls and, with a simple two-contact touch plate for each channel, will control 6 channels and have the facility for remote control.

The BTT 8124 offers 8 channel control with remote control and sound muting facility during channel change. Channel selected is indicated by a low-cost neon lamp. Each circuit requires to work with a "varicap" tuner and operates off normal 33 volt regulated supply. Circuit options allow cascading of units to provide multiples of 6 or 8 channels.

● COMPUTING

Expanded service on COM units

DATAGRAPHIX, a subsidiary of General Dynamics, has transferred a product service team to Britain to co-ordinate the immediate expansion of support and service in the U.K. and Europe.

DatagraphiX, with headquarters in San Diego, California, U.S., is the world leader in the sale and manufacture of computer output microfilm (COM) equipment.

Expansion of the support and service operation has been dictated by the rapid increase in the number of DatagraphiX equipment installations now operating or scheduled for installation in the U.K., Ireland, France, Germany, Scandinavia, and other European countries.

DatagraphiX is at Fairacres Estate, Dedworth Road, Windsor, Berks.

● PROCESSES

Cleaning up the plant

A WATER jet blaster for low-priced, high pressure washing units for plant and vehicle cleaning, has been introduced by the Hydrojet Division of A. Long and Company of Pulborough Way, Green Lane, Hounslow, London, TW4 6DE.

Available in both manual and automatic form, the model 1000/4, is claimed to be the most powerful washer on the market within its price group, operating at 1100 psi at 3.5 imp. gal./min.

The standard unit is fitted with a 240 volt single phase motor but diesel or petrol driven units are available. In manual form it comes complete with 30 foot hose, gun, lance and two jets. The automatic remote control version is sold complete with 30 foot hose and operating lance.

The Science Research Council is carrying out space simulation tests on payloads for Skylark rockets in a vacuum chamber—believed to be one of the largest available for contract hire in Europe—at the Crawley, Sussex, works of Edwards High Vacuum, a division of BOC. Pre-flight testing is being carried out on three payloads, each containing up to seven experiments which will operate simultaneously during flight. The chamber is 14 ft long and 7 ft in diameter. In order to simulate flight conditions, the pressure in the chamber has to be reduced from atmospheric pressure to about 5 torr in under 2½ minutes. In addition to its availability for environmental tests, the chamber is also used to provide a contract coating service for objects with large surface areas. Workpieces with dimensions of up to 12 ft by 6 ft in sheet form, or 12 ft long by 4 ft in diameter, can be accommodated.

● DIESEL ENGINES

Powerful aid to design

A NEW TYPE of oil-cooled diesel engine piston which is expected to gain worldwide application, has been developed by Wellworthy, member of the Associated Engineering Group, with the aid of the Central Electricity Generating Board's Computing Bureau.

The main advantage of the new piston over the more conventional air-cooled type is that is offers higher engine outputs without critical operating temperatures being exceeded This has been achieved by incorporating into the design an oil-cooling gallery over the gudgeon pin. The gallery is shaped so that oil is forced upward during the piston's downstroke and drained out during the upstroke, after heat has been absorbed and dispersed in the piston crown.

Higher engine ratings, resulting in increased thermal and mechanical loadings made full analysis of mechanical stresses in the piston vital. Wellworthy carried out an experimental measuring programme and tried to reach an accurate calculated estimate. Results from the calculations, based on an axisymmetric finite element model, were not reliable because of the complex shape and loading of the piston.

The problem was solved by BERSAFE (Berkeley Stress Analysis Finite Elements), the CEGB's stress analysis program suite. BERSAFE uses three-dimensional elements and has enabled Wellworthy's research department to obtain an accurate assessment of mechanical and thermal stresses throughout the piston.

Wellworthy says the CEGB has enabled it to develop a complete analysis, of pistons which they believe will give them an edge over competitors in world-wide markets.

The CEGB was able to offer a rapid turnround on calculations through the computer terminal at its Marchwood Engineering Laboratories which is linked to the central computer at Park Street, London, W.1.

Protects expensive engines

DIESEL engine protection units that eliminate seizure through oil or water loss are being marketed by Stewart Automotive Equipment under the name Robomatic Mk2.

They monitor oil pressure and engine temperature. As soon as any malfunction occurs two warning signals — an indicator lamp and a buzzer—are set off. Thirty seconds after the signals start the engine is automatically cut out, thus saving considerable damage. Research has shown that the 30-second gap is long enough for the driver to manoeuvre out of any traffic situation and short enough to avoid severe damage to the engine by whatever is causing the imminent seizure. After the warning period the buzzer stops but the illuminated indicator continues to pulse, to prevent damage to the system should the electrics be inadvertently left on.

Once the fault in the oil or water system has been rectified the driver can proceed with his journey without having to bleed the fuel system and the Robomatic will return to its job of monitoring.

Robomatic Mk2 is neatly designed to be easily readable without cluttering the cab. It is easy to fit—and a mobile fitting service is available—requires no maintenance and comes with a twelve-month guarantee. With the inclusion of an override switch, the Robomatic meets the requirements recently laid down by the Department of the Environment in respect of engine protection systems to public service vehicles.

Savings from using the Robomatic can, says the maker, be enormous. In addition to the obvious one of avoiding expensive damage to the engine there is the saving in spare parts, overhaul and replacement costs, removal of the need to transfer loads, and that most valuable commodity—time—is saved.

Details of the Robomatic Mk2 and the petrol-engine equivalent can be obtained from Stewart Automotive Equipment, Sherbourne Drive, Windsor, Berkshire, SL4 4AE.

● TELEVISION

Duplicating commercials

THE VIDEO Laboratory of Rank Film Laboratories is to provide a videotape cartridge duplicating service for TV commercials capable of producing bulk copies directly on to spools for transmission.

Installation of an AMPEX ACR-25 cartridge recorder at 142 Wardour Street, London, W.1, is the latest development in Rank Film Laboratories' £1¼m. expansion programme and will, it is claimed, introduce a new concept in handling, distributing and broadcasting TV commercials on videotape.

The service aims to meet the requirements of advertising agencies, TV production companies and broadcasters and provide a link between film and video by accepting prints from the parent motion picture processing plant at Denham, Bucks for immediate colour grading at Wardour Street prior to transfer to two-inch tape in cartridge format for distribution in quantity to independent TV stations within 24 hours.

Instead of large six-inch reels employed by conventional video tape recorders, says Rank, the ACR-25 uses small hand-sized cartridges, each capable of recording commercials of between ten seconds and six minutes.

Inside the cartridges are small spools on to which pre-recorded material is wound. The spools are interchangeable for use in AMPEX ACR-25 or RCA TCR-100 cartridges. Spools containing used sequences can be returned to Rand Video for recording new commercials.

● HANDLING

Ensured of support

THE ANNUAL meeting of the Council of the National Materials Handling Centre has been told that during the last year, the Centre has made immense strides forward and is providing a national focus for the advancement of materials handling management and techniques in Britain.

The Centre's annual report presented by Sir Don Ryder shows that the Centre has, within its first three years, increased earned income to 80 per cent. of total operating expenditure. There has been a 50 per cent increase in industrial membership in the last year and subscriptions from member companies have almost doubled. Income from the advisory service has doubled in the last year and education and training has grown almost 10-fold in the last two years.

There is good reason to expect that the Department of Trade and Industry will shortly be expressing its confidence in the continuing success of the Centre by extending its period of financial support until 1975.

Sir Don said on this specific point that, "Although the government may continue in the longer term to support specific activities in the Centre, the policy of the Centre will be to operate as an entirely self-supporting unit."

...mediate start sought on £55m. ...unterston industrial plan

...IS BAUR, SCOTTISH CORRESPONDENT

EDINBURGH, Sept. 27.

...RDON CAMPBELL, ...or Scotland, has been ...nction an immediate ...55m. scheme of shore ... and servicing to ...vay for major indus... ...pment of the Hunters... site, Ayrshire.

...osal comes from the ... Development Com... ...has options to pur... three-quarters of the ...ite. It has offered to ... reclamation of 950 ...al sands and to pro... major services on the ... over the next four ... steelworks.

An ore pelletising plant and direct reduction-electric arc furnace steelmaking facilities are also being considered for Hunterston by the BSC.

The plan includes an oil terminal and refinery (for which two applications, from Chevron and the Italian Orsi group are before the Minister): marine engineering and pipecoating projects (in which Costain and the Dutch Bredero group are both interested), and a general-user port, which the Clyde Port Authority is keen to develop. Provision of quay and jetty facilities would cost a further £50m., says the company.

...es

...is part of a package ...ls for major marine... ...dustry at Hunterston, ...ompany says will cost ...m. during the first ...s, rising to £1,000m. ...lopment is complete. ...ates that the phased ...t of some nine ...ojects, based on steel ...uld create over 6,000 ... jobs by 1980, rising ...on completion. The ...loyment, direct and ...enerated in the West ...d by the plan, it ...uld be as high as ...

...pany's proposal makes ...tially for most major ...or which individual ... applications have ...een lodged with the ... Its publication will, ...be seen as an effort ...some of the conflicting ...this controversial site, ...ar the final blockage ...physical development. ...l place is allocated to ...e and coking coal im... ...nal which the British ...rporation wants for ...the £60m. expansion ...enscraig, Lanarkshire.

Its plan, however, leaves two major problems for political solution. Firstly, it comes down heavily in favour of a limited initial steelmaking development, using emerging direct-reduction techniques and employing refinery tail gas. It says BSC and possible private sector steel investors might provide 1m. tons of production capacity each by the early 1980s, with allowance for major expansion later.

In suggesting this, the company advises strongly against BSC's own plan for virtually "sterilising" over 1,000 acres of land for 15 to 20 years, against the "problematical and rather vague future benefits" of a large integrated steelworks, using traditional methods of steel-making.

Secondly, the company says that in order to keep Hunterston's steelmaking potential "open to all serious candidates, including BSC," the proposed ore terminal and pelletising plant should not be monopolised by the Corporation, but should be operated as common facilities for both public and private sector producers.

The company proposes that the pelletising plant should have an initial processing capacity of 6m. tons a year, increasing to 15m. later, and that the ore terminal should be designed to handle up to 15m. tons—three times the likely Scottish requirement, thus giving it a potential trans-shipment role for steelworks elsewhere in the U.K.

Headache

Its proposals are an immediate headache for the Minister. He has before him a formal application from Ayrshire County Council for compulsory purchase of about 200 acres BSC wants for its terminal.

The Hunterston company, which is objecting to the order, argues that if the Minister confirms it he will effectively consent to BSC's commercial monopoly of the terminal.

Although the corporation has offered to make its terminal available to other users, the company claims that such control by a single user would clearly be inhibiting to others. It proposes a joint venture with its own financial participation — a partnership which BSC so far refuses to consider.

Similarly, the company suggests that any oil tanker terminal built to service a refinery at Hunterston should have a guaranteed "multi-user" character. This would ensure its use for further oil-based projects inland and as part of a pipeline grid associated with North Sea oil discoveries

The company maintains that its own role as a commercial co-ordinator will be crucial in avoiding the piecemeal and wasteful exploitation of the site.

Its report calculates that by 1980 some 16,400 houses will be needed to accommodate the population generated by industrialisation of Hunterston. Existing local authority plans indicated, it says, that there was ample capacity in North Ayrshire to cope with the increase.

Development of Hunterston on the scale outlined represented a major opportunity to overcome the immense problems of the West of Scotland region, which was now in "deep economic trouble" through persistent high unemployment, continuous emigration and lower-than-average earnings.

The Scottish Council (Development and Industry) commented that the company's report "cleared the fog over Hunsterston" and could lead to early planning decisions after long delays.

Mr. David Lambie, Labour MP for Central Ayrshire, who has been critical of the development company's role, commended the plan as "an imaginative one deserving the full support of the Scottish people." The one "fly in the ointment" was BSC's insistence on freezing a large part of the site for future use.

Mr. William Paterson, Ayrshire County Convener, however said the report was "an exercise in plagiarism and special pleading by a small development company." It added nothing to the work already done by the county council and the Scottish Office.

...ailways must be ...garded mainly ...social service'

...NE BARLING

...RAIL should give as ...phasis to the develop... services to the whole ...y as to the develop... ...estige services, a report ...ommittee for Environ... ...nservation said yester...

...ting on the revision of ...licy published by the ...ilways Board last June, ...up's transport sub... ...said that the railways ...narily be regarded as a ...vice.

...d the Government to ...BR to go beyond their ... proposals and produce ...carry more passengers ...ht.

...rited'

...ommittee feels that the ...orities are dispirited ...f continual deficits and ... cuts and that the fear ...e paralyses constructive ... about the carriage of ...the report says.

...raighton, chairman of ...ittee, has sent a copy ...ort to Mr. John Peyton, ...or Transport Industries. ...nittee has 14 members, ...the Civic Trust and the ...for the Preservation of ...gland.

...port urged, in particu... ...r investigation into the ...of reopening branch ...passenger stations that ...n closed and once again ... passenger services for ...wns and villages which ... these services since the ...ng" cuts.

...r, it calls for the re... ...f freight depots and sid... ...secure a much wider ...ical distribution of faci... ...the expansion of wagon... ...ht traffic.

...h Rail should also pro... ...rate or additional tracks ...mmodate slower-moving ...ains to avoid delays to ...ssenger traffic," the re...

...bility

...overnment should make ... that it is prepared to ...revising the whole basis ...ransport budget of the ...nt of the Environment ...if desirable, a greater ...n of the budget will be ...ailable for capital improvement and expansion of the railway.

"CoEnCo also believes that the Government and, where appropriate, local authorities should give more positive direction to the planning authorities to encourage direct and greater use of the railways," the report states.

The availability of railway services would also be a sine qua non of all major developments such as expanding or new towns, new airports and schemes such as the Channel Tunnel.

"In the meantime, CoEnCo must express considerable reservations on the proposals contained in the Review of Railway Policy to reduce still further the numbers of railway staff, locomotives, carriage and wagon fleets," the report says.

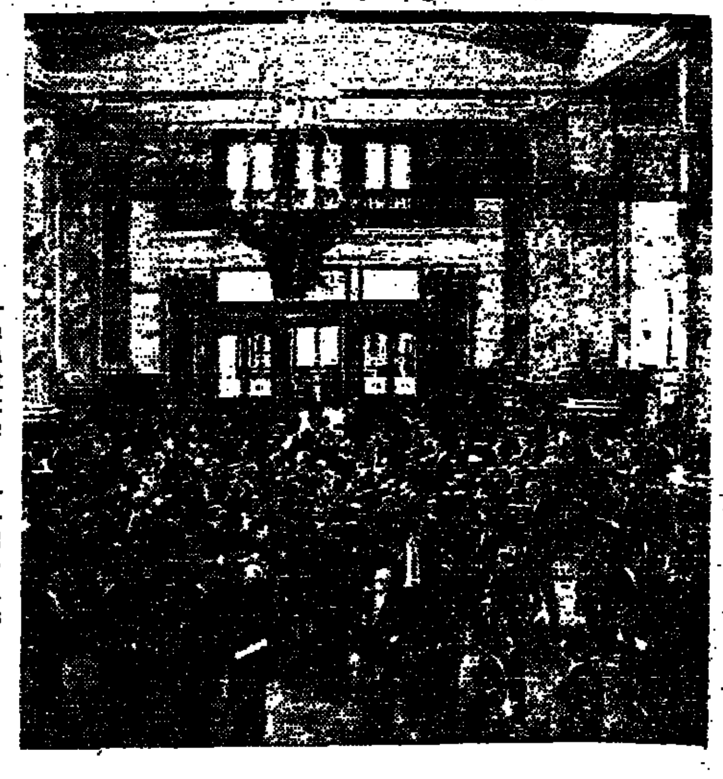
"What is now required is a major expansion so that the railways will be able to compete on an equitable basis and provide on a country-wide basis a reliable and viable alternative to road for the transport of both passengers and freight."

BANK RETURN

—	Wednesday Sept. 26 1973	Inc. (+) or dec. (—) for week
LIABILITIES	£	£
Capital	14,553,000	—
Public Deposits	25,720,1[illegible]	+ 691,57[illegible]
Special Deposits	1,098,[illegible]	
Bankers	220,5[illegible]	+ 33,754,7[illegible]
Reserves & Other A/cs	312,788,[illegible]	+ 15,1[illegible]
	1,732,480,620	+ 49,495,321
ASSETS		
Govt. Securities	1,510,510,171	+ 65,[illegible]
Advance & Other A/cs	45,376,651	+ 14,394,07[illegible]
Premises, Equip't & other Secs	149,757,0[illegible]	— 1,012,[illegible]
Notes	26,6[illegible]	— 19,374,069
Coin	188,165	— [illegible]
	1,732,480,620	+ 49,4[illegible]321
Reserves	56,856,79[illegible]	— 19,396,547
ISSUE DEPARTMENT		
LIABILITIES	£	£
Notes Issued	4,475,000,000	— 25,000,000
In Circulation	4,448,351,3[illegible]	— 5,6[illegible]931
In Bank's Dept.	26,648,633	— 19,374,069
ASSETS		
Govt. Debt	11,015,100	—
Other Govt. Secs.	3,8[illegible]416,4[illegible]	— 20,683,467
Other Securities	6[illegible]434	— 4,[illegible]
Coin	—	—
	4,475,000,000	— 25,000,000

In depressed times shipbrokers are said to have sold matches outside the Baltic Exchange (right); but no longer . . . By James McDonald

Shipbrokers on the crest



WITH OIL tanker and dry cargo tramp charter rates at very high levels—together with exceptionally high prices being paid for modern second-hand ships—the small but highly professional team of ship charter brokers are earning high sums in commissions.

London is still the centre of the world shipbroking market and there are over 20 active tanker brokers. On a recent charter for a single voyage of a supertanker, fixed at about Worldscale 340 (Worldscale is an index of charter rates), around $U.S.7.6m. of cargo was involved and the brokers could have earned $75,000 on that one deal.

There is a loose agreement that brokers obtain about one per cent. on the value of contracts, but competition is so intense that a number of brokers are quoting commission fees below 1 per cent. for supertankers and for ship sale deals. Even so, the sale in August of a 285,000 deadweight tons tanker for $90m. must have netted the brokers involved nearly $750,000, according to Baltic Exchange rumours.

Among the leading shipbrokers are: Clarkson (part of Shipping Industrial Holdings); John I. Jacobs; E. A. Gibson; Houlders; Galbraith Wrightston; and Davies & Newman.

The shipbrokers stress that they have to take the rough with the smooth, and that in some years — following the cyclical nature of the shipping industry—they have to maintain staffs and communications with virtually no business coming in.

Tanker brokers rely upon timecharter contracts for their "bread and butter," to pay staff salaries and the high cost of telephones and Telex during lean periods. A 220,000 deadweight tons tanker fixed for two years' timecharter, for example, at $5.65 per ton per month, will bring in for the broker involved about $300,000 over the two-year period.

Income of successful brokers is high, but so also are costs. A shipbrokers works almost an 18-hour day and is tied to his work by an umbilical telephone cord. "Dealing with Japanese brokers at home at 5 a.m. in the morning and with U.S. charterers or owners up to midnight does not create a happy home life," says one.

Some tanker brokers have closer contacts than others with major oil companies: for example, Clarksons with Esso; John I. Jacobs with British Petroleum; E. A. Gibson with Shell; and Davies and Newman with Shell. The remaining brokers deal occasionally with the major oil companies and compete strongly for independent business, particularly with Japanese and Scandinavian shipowners.

"It is highly brain intensive," says another broker. "Our capital is invested in a few people who know the chartering business, and in communications."

Shipbroking is primarily a young man's game, mainly because of the strain involved. It is also a mobile trade, with frequent moves by brokers from one company to another and also into the formation of new companies. "We screw ourselves into a knot, grab a sandwich occasionally, and there is a high casualty rate," adds the same broker.

Dealing brokers in an established firm do not have high basic salaries, probably between £2,000 and £3,000. "The carrot is the success of the department at the end of a year and the commission paid."

Although few people are involved in a medium-sized broking firm—perhaps a total of 12 people including four or five brokers and secretaries and Telex operators—running costs are high. Communication costs are the most expensive item, accounting for perhaps two-thirds of total expenditure.

Operating costs for any of the big brokers can run as high as £1m. a year. "Telephone and Telex bills, entertainment, and overseas visits to Japan, Scandinavia and the Continent take a hefty slice out of our income," says a partner in one of London's medium-sized brokers.

The broking firms all compete for a tanker or dry-cargo fixture. "To earn $50,000 to $75,000 on a successful deal can involve days and weeks of work and visits, perhaps to Japan, and considerable expenditure on entertainment. At the end we may lose the fixture. Our success ratio is one or two out of every ten attempts," says the partner.

Brokers admit freely that theirs is a risk job. The rewards can be considerable but ulcers are common. "There is an easier way of making money, but I am in love with my job. No day is the same and I enjoy the very personal contacts one makes over the telephone to Tokyo, New York, Scandinavia, and the visits I make to other countries," comments one.

They are men inclined to gamble, but well understand the risks. "In the early 1930's ruined brokers were selling matches outside the Baltic Exchange." But this highly intensive "brain" field of shipbroking and the comparatively low capital cost involved make it attractive to investors, including merchant banks, several of whom have put money into tanker broking.

GOLD FIELDS
OF SOUTH AFRICA LIMITED

Incorporated in the Republic of South Africa

Review by the Chairman, Mr. A. Louw, for the year ended 30th June, 1973

The most important feature of the year under review was the rise in the market price of gold from 62 to 120 dollars per fine ounce. This rise in the gold price had a material affect on the fortunes of this company whose major investments are in the South African gold mining industry.

ACCOUNTS

The book value of the group's listed investments at R80 million showed little change during the year. The stock exchange value of these investments increased from R297 million at 30th June, 1972, to R446 million at 30th June, 1973. Dividend income increased from R10,3 million to R15,3 million. The surplus arising from the realisation of investments was R2,9 million and, after allowing for this amount and the net income from fees, interest and other sources of R1,1 million, total group revenue amounted to R19,3 million. Sundry expenditure, including amounts written off investments and assets, totalled R4,0 million. After providing for taxation and minority interests, the group consolidated profit amounted to R14,5 million or 89,6 cents per share. This represents an increase of 27 per cent over the comparable figure for the previous year and dividend distributions were increased by a similar percentage and absorbed R9,7 million, equivalent to 60 cents per share.

GOLD MINING INDUSTRY

In recent years increasing costs have eroded ore reserves, reduced the lives of existing gold mines and given little incentive to the development of new mines unless they were of an exceptionally high grade. The very rapid rise in the market price of gold during the past two years, and particularly since April, 1973, has provided a new and welcome stimulus to the industry.

Our longstanding confidence in the future of gold was reinforced by the results of market surveys of gold production and fabrication demand which have been conducted by Consolidated Gold Fields since 1968. These surveys predicted increasing prices for gold on the open market as demand increasingly exceeded supply. They have been of considerable assistance in the planning of existing and new mines. The worsening international monetary situation culminated in a demand for gold for investment and as a result the prices for gold forecast in succeeding surveys have been considerably exceeded. It is unfortunate that a high rate of inflation and a rapidly rising cost structure on the gold mines have, to some extent, reduced the benefit of the considerably increased revenue being earned.

These new circumstances have given impetus to the examination of all aspects of efficient production. There is, firstly, the requirement to offset the effects of inflation by greater output per man and per machine and, secondly, to undertake technological research and development in order to improve existing mining and metallurgical methods. Steady progress can be expected from these endeavours.

On each of the gold mines administered by this group there has been a substantial increase in the estimated reserves. In some cases it has proved advantageous to embark on major expansion programmes, and in others production rates will remain relatively unchanged. In all cases it is expected that the gold yield per ton milled will be reduced, but despite this the distributable profits will be further increased over the extended life of each mine.

Encouragement has been given to the search for extensions to existing mines, the re-examination of areas previously explored and to new exploration. The confidence expressed last year in the existence of a viable gold mine on the Deelkraal and Buffelsdoorn farms has been enhanced by the higher gold price. The extended drilling programme being carried out by Western Ultra Deep Levels, Limited, on the farm Buffelsdoorn is nearing completion. When the final results become available, it has been agreed that further discussions on the exploitation of the area will take place.

OTHER INVESTMENTS

The renewed demand for base metals and minerals at improved prices has raised the output and sales value of this sector of the Republic's economy. In general, group companies operating in this sector are enjoying greater profitability and in some instances production is being increased. The demand for zinc in the Republic has continued to increase and further increases are expected in the future. The policy of Zinc Corporation of South Africa Limited is to match the rising demand by increasing output. Currently the capacity of the refinery is being increased by approximately 40 per cent and plans are in hand for further expansion as and when required. As in the past every effort will be made to secure the additional zinc concentrates required from local sources.

The stated policy of the group, which is to concentrate its efforts on the mining and processing of metals and minerals in Southern Africa, remains unchanged. The search for new mines and the examination of metallurgical processes for the refining and processing of ore will involve increased expenditure on exploration account during the current and future years. A sum of R3 million has been made available for geological exploration and metallurgical development in the current year. Although it may not be possible this year to find worthwhile projects which will warrant expenditure of such an amount, I believe that annual expenditure of this order is essential to ensure the long-term growth of group profits.

MANPOWER

For some years the group has concentrated its efforts on the selection and training of its employees for more responsible and remunerative employment within the prevailing social and legal structure. The rapidly rising inflation rate in South Africa over the last two years has forcibly re-emphasised the need to improve the productivity of the labour force. This has led us to re-examine many of our existing procedures and to participate actively with other organisations in discussing suitable changes in work practice with the representatives of employees. In making changes, it is vitally important that these should be accepted by all sections and that the labour force as a whole should remain content. In this context I am particularly pleased that the Chamber of Mines of South Africa has successfully concluded productivity negotiations with the trade unions which represent the white employees on the mines. The responsible attitude of the unions is to be commended and I am sure their members will accept the additional supervisory responsibility which they are being called upon to assume and for which they are receiving substantial additional remuneration.

In welcoming the constructive changes in work practice in the mining industry, I am very aware of the importance of the changes for the Bantu members of our work force. The way has now been opened up for significant numbers of Bantu to be more productive and to increase materially their earnings. This will provide a powerful incentive to all those Bantu employees who have the necessary aptitude and leadership qualities.

During the past year the average remuneration of the Bantu employees on group mines rose by more than 50 per cent, while the minimum on appointment rates, as determined by the Chamber of Mines of South Africa, and to which this group adheres, increased by 30 per cent. These figures clearly reflect the intention of this group to reward those who are able and willing to shoulder increased responsibility or otherwise improve their productivity.

We believe it is necessary to observe some degree of caution with regard to increases in minimum wages in order to avoid unnecessary and harmful dislocations. In general, gold and coal mining in South Africa has been established on a labour-intensive, rather than on a capital-intensive basis of production. The recent increases in minimum rates are already leading to reduced labour requirements on group mines and further mechanisation could be introduced profitably should unskilled labour costs continue to rise. In this event labour complements would be further reduced. In a more general context any reduction in work opportunities for unskilled labour is likely to prove inimical to the best interests of the rapidly increasing numbers of men and women seeking work until such time as the overall economic growth in Southern Africa can provide the necessary additional employment opportunities.

I confidently expect a major increase in productivity during the coming year which should go some way towards offsetting the present high inflation rate. The necessary changes in the group's manpower structure will present a tremendous challenge to the management of the companies concerned. I am sure that they will take up the challenge and deal enthusiastically and sympathetically with the problems that will inevitably arise.

MONETARY AFFAIRS AND THE GOLD PRICE

The changes affecting the relationship of major currencies have been numerous and these changes have had, and will continue to have, an important impact on international trade and investment. The Governor of the South African Reserve Bank included a lucid summary of the effect of these changes on the Rand in his annual address in August this year.

This condition of continuing currency uncertainty has been accompanied by ominously high rates of inflation throughout the world. This stimulated a flight into gold and commodities. More recently, however, extremely high short-term interest rates in all major countries and a strengthening of the U.S. dollar have rendered investment in commodities less attractive.

In this era of confusion it is perhaps possible to identify two encouraging factors. The first is the general recognition of the need for international monetary reform and the creation of a widely based international committee by the International Monetary Fund – known as the Committee of Twenty – to study the problem and to make recommendations. The second is that in its deliberations the Committee of Twenty has, it would appear, given serious consideration to the role of gold in the international monetary system, has recognised the importance of re-establishing convertibility of currencies, and has been seeking a solution to the vast overhang of dollar and sterling balances.

Having said that there are these encouraging factors, I must add that the attitudes of individual countries on these vital issues remain so divergent that it is difficult to foresee an early end to currency uncertainties. Floating exchange rates with their deleterious consequences for international trade and investment, are likely to be with us for some time to come. Agreement may, however, be reached on monetary transactions in gold at prices related to the market price and this might assist in re-establishing at least a limited degree of currency convertibility.

In these circumstances I would expect continuing wide flunctuations in the market prices of gold and commodities under the influence of the varying fortunes of individual major currencies, changing interest rates, and international incidents affecting military security in sensitive areas.

OUTLOOK

The sharp increase in the market gold price exceeded my forecast last year with consequent beneficial results for the company. The average revenue received last year by group mines was R1 588 per kilogram and it is expected that there will be a further material increase in the revenue from gold sales this year. In this event the company would benefit and it would be possible to make further increases to dividend declarations.

DIRECTORATE AND STAFF

During the year Mr. G. C. Fletcher and Mr. T. A. Murray resigned from your board of directors. Both these gentlemen had had a long association with the group and my colleagues and I will miss the benefit of their guidance and assistance. Mr. J. W. Shilling, who had previously been a director of the company, was reappointed to the board.

Once again the year has been a busy one producing its own problems. Members of the staff have always risen to the occasion and their loyalty has helped the company achieve its success. I know that all shareholders would like to join the board and myself in expressing our appreciation of their services.

75 Fox Street
Johannesburg

7th September, 1973

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The unions renew their siege of Kodak

BY NOEL HOWELL, LABOUR REPORTER

MORE at stake in Kodak dispute than f thousands of care- osed holiday slides. ble at the Hemel plant follows almost of efforts by trade in recognition at the wned film company the last major em- Britain not to recog- e unions.

past 18 months, by the TUC, the ed unions have their strongest-ever recognition, only to lock after an audit ry showed they had 1,200 members out 9,400 manual and e-collar workers. The t was confined to units at Kodak's r plants where the nions are seeking —Hemel Hempstead, evenage and Kirby— aed that of the TUC ie Association of aph, Television and hnicians has by far st membership at

nel Hempstead dis- ch began with an k to rule 12 weeks ought the recognition head and drawn in ls of a number of es facing the trade novement. Notable m are the problems imaginary—faced by ealing with a foreign- ti-national, the TUC's ial convulsions over 1 and the unions' velop their links with gn counterparts.

irt, Kodak does not ie recognition of out- s even though it did ast year two "house" e Union of Kodak nd the Kodak Senior ciation. These two ns developed after ny's traditional con- system of worker tive committees dis- in the wake of the Relations Act, and its on independent bar- ents.

ion was not however til the house unions majority of member- eir respective areas UKW now claims 00 members. The already been granted ning rights for senior not directly affected C unions' campaign.

litions

npany points to the ay and conditions en- ts employees and its peaceful industrial ecord as evidence of support for outside the past. Kodak does icknowledge that the f the representative s has left workers ig to neither of the ons without a collec- and that this has given the TUC unions new impetus.

Behind the current recognition deadlock lie the suspicions and mistrust on both sides that have developed over the years as TUC unions have tried to force what they see as a paternalistic "anti-union" company to open its doors to them.

In a year when Britain's two biggest unions were forced to give up the fight to win recognition at the American-owned Fine Tubes factory in Plymouth, the TUC unions at Kodak have been sensitive to every delay along the road to full recognition talks with the film company. The audit was delayed several months, the meeting to discuss the audit results and possible recognition has never taken place, and ACTT's efforts to negotiate recognition separately have also so far failed, although talks over the Hemel Hempstead dispute are continuing.

There is a suspicion among TUC union leaders that on the issue of outside unions the Kodak Board is divided between "hawks" and "doves," with the hawks unconvinced that the company should bow to the trend and recognise TUC unions. The unions point to Kodak's American establishment at Rochester, where outside unions are not recognised, although unions have been accepted at Kodak's German and French plants.

Recognition

Kodak, which is in the unusual position of having until last year a "virgin" collective bargaining field, is anxious that the outcome of the long-delayed talks with the TUC unions should not take the company too far down the road of multi-unionism which has caused problems in other companies.

It has not ruled out recognising at least some outside unions, but has also warned them that any talks about membership figures do not imply automatic recognition. After so many years of fruitless contact, the latest and most serious round of talks over possible recognition was almost bound to be slow, particularly as the company has always insisted that the UKW should be present at any talks over the audit.

The company has also at times been bewildered by the tactics of the TUC and its unions, particularly the ACTT. UKW objections to the terms of reference of the audit contributed to some of the delays late last year. It was the prospect of meeting the UKW—a registered union—that helped prompt the TUC to give up the role it had adopted for almost a year of co-ordinator in the negotiations for the six affiliated unions.

It was the TUC's decision to bow out and call on Kodak to deal direct with the affiliated unions that led to the deadlock in national talks. Kodak is insisting that the TUC finishes

Mr. F. J. Moorfoot, chairman of Kodak.

the job it started last year, but to some union leaders the ensuing delays are further proof of the influence of the management "hawks" who would prefer not to deal directly with the TUC unions.

Another outside union seeking recognition, the National Graphical Association, was dropped by the TUC from the January audit because it was suspended for remaining registered, and it eventually gave up its TUC affiliation rather than be expelled. A further print union, the Society of Graphical and Allied Trades, has since refused to sit down with the registered UKW.

Apart from the ACTT and Sogat, the other TUC unions involved in seeking recognition are the Electrical and Plumbing Trades Union, the Amalgamated Union of Engineering Workers, the Association of Scientific, Technical and Managerial Staffs and the Sheet Metal Workers union. It was in the face of national deadlock that ACTT decided to force the pace on its own, at the risk of arousing fears of being left behind among the other TUC unions. ACTT has used the limited industrial power it currently has at the company by hitting the film processing division right in the holiday peak and broadening an original dispute over pay for handling new machines into the wider recognition issue.

The work to rule led to processing delays of more than a month. This week's ACTT decision to escalate the action by involving its chemical mixer members in blacking UKW processors—who up to now have ignored the work to rule—led to a complete shutdown of processing.

The latest twists in the dispute have led to the company talking collectively to ACTT shop stewards for the first time, albeit only once, and that in the company of national union officials. The issue of recognition has still not been conceded. For ACTT—with one of its membership bases in the troubled film industry—an extension into the major company that actually produces the raw film makes sense for what is a comparatively small union with 18,500 members. The importance it places on breaking into Kodak is reflected by the fact the union has a full time Kodak official, Mr. Ken Roberts, a one-time worker at the company, and its left wing general secretary, Mr. Alan Sapper, has also been closely involved.

Cine film

The ACTT decision to press the recognition issue through the dispute at Hemel Hempstead was shrewd. Al Kodakchrome colour slide and cine film processing in Britain is done at the plant. So too is a proportion of Kodakcolour print processing, but this side of the business faces stiff competition from outside processors and the future of several hundred jobs at Hemel in colour print processing could be threatened if the current shutdown continues.

Anticipating any moves by Kodak to switch processing abroad the ACTT has already improved its links with counterpart unions at Kodak's German and French plants and an international conference of Kodak unions is being planned for later this year.

ACTT general Secretary Mr. Mr. Alan Sapper.

By escalating its action, however, ACTT has now come into direct conflict with the UKW —ironic since ACTT is one TUC union which will openly admit to being prepared to sit down at negotiations with the UKW. Throughout the past year — pending its first ever membership conference in November— the house union in the middle of the recognition issue, the ambivalent role.

The UKW has been accused by outside unions of being a puppet of management; the company did lend it money to cover the costs of creation and registration. But this week the UKW has displayed open signs of militancy by threatening a counter-blacking of film processed by ACTT members and forcing an embarrassed management into halting all processing. Leaders of the UKW do not rule out at some future date the possibility of the house union de-registering and seeking to join the TUC, but are understandably reluctant to share their current bargaining monopoly with outside unions.

The UKW has so far not followed up merger approaches from ACTT and the EPTU. Earlier in the year the UKW appointed its first full-time general secretary, Mr. Tod Sullivan, a former EPTU shop steward until 1960 and latterly an industrial relations officer at the Commission on Industrial Relations. He turned up at this month's Trades Union Congress in Blackpool in the public gallery.

However hard the UKW has tried to remain neutral in the face of the work-to-rule at Hemel, there has been some individual bitterness in the plant between members of the house union and the ACTT, and this could worsen if the company starts laying off workers.

In the meantime the Department of Employment's conciliation service is proceeding with the formidable and lengthy task of unravelling the tangled threads of the Kodak problem. The Department is trying to get the national talks over the audit and possible recognition back on the road. If conciliation fails, then the Employment Secretary may well proceed with his proposed reference of the whole issue to Mr. Sullivan's former employer, the CIR.

The Commission was specifically designed to bring a cool, outside look to just such a problem, but in the era of the Industrial Relations Act such a reference would be fraught with its own problems. The reference would be non-binding and would have to be followed by further potentially difficult talks between the TUC unions, the company, the UKW, and possibly the TUC.

Boycott

The Commission's work would also be hindered by the TUC and its affiliated unions boycotting the CIR's work, as they have boycotted recent discussions with the Department of Employment over the possible reference. The UKW itself has shown no great enthusiasm for a reference either.

But the six months or so that an outside inquiry would take—whether by the CIR or by an old-style commission—might provide a well-needed cooling-off period to allow tempers and mutual suspicions to subside. It would also allow Kodak to process all those holiday slides.

nadian Imperial Bank rations in Europe

adian Imperial Bank erce, with over 1,600 North America, next is a European opera- e in London to control day business through- e, the Middle East and

sday Mr. J. Page R. 1. president and chief officer, who has been the International Fund meetings in vill be in London for ng.

J. Griffiths, vice-presi- opean Operations, said that an increasing percentage of the bank's turnover was in the area now to be administered from London. "We are not a bank in business only in Canada with Canadians but an international organisation closely involved in major industrial and commercial projects worldwide.

"This is really moving part of the head office decision-making machinery from Toronto to London to put it right in the markets here where our business is expanding," Mr. Griffiths said.

The new office will be temporarily housed in the bank's Lombard Street premises.

st Office 'supercable' ders out soon

for supplying and the first 160 km of highest-capacity tele- ble are to be invited by e Telecommunications

ble manufacturers will to tender for a new king Birmingham and r and capable of carry- t 100,000 telephone calls ously.

ject is the first stage in fice scheme to provide rcable"—a new high- iune for Britain's trunk network, linking Birmingham, Manchester ls by the end of the It will be able to carry twice as many telephone calls as all the existing transmission systems on its route.

Total cost of the Birmingham-Manchester section, including the provision of underground duct, the cable itself and the initial transmission equipment, is expected to be about £5m.-£6m.

Work has already begun on providing underground duct between Birmingham and Manchester. Because of the cable's capacity it will be buried twice as deep as conventional telephone cable to protect it from accidental damage. The route will avoid major centres of population, keeping clear of other telephone cables and underground utilities.

e Jackpot st be won ry Saturday

TE Jackpot rules are nged so that, starting on , October 6, the pool must very Saturday.

ange is to meet public for more must-be-won d to offset some of the on the jackpot has from the ITV Saturday d BBC Triella.

e spokesman explained: Jackpot sequences were to a possible six days in 71, only two sequences e the full distance, and ile has missed the extra nt of frequent must-be- s."

Honeywell to hold banking seminar

A TWO-DAY international banking seminar will be held by Honeywell at the National Westminster Bank staff college, Heythrop Paark, Chipping Norton, Oxfordshire, on October 22 and 23.

It is intended for banks' general managers, management services and operational research managers, business planning managers and financial consultants, and the theme will be time-sharing applications in banking.

Speakers will include representatives of banks in the U.K., Europe, the U.S. and Japan.

CBI puts pension scheme alternative to State plan

BY MICHAEL BLANDEN

THE Confederation of British Industry has produced a centralised occupational pension scheme which is expected to be the largest of its kind in the country.

The scheme, first announced last January, is to be launched on Monday. Approved by the Inland Revenue, it will be a recognised alternative to the State reserve scheme coming into operation in April 1975.

It is aimed chiefly at the smaller member companies of the CBI, many of which probably have no pension scheme at all at present but will be required to offer pensions to employees after the new legislation comes into force. It will be available to many thousands of companies which are CBI members, either directly or through one of the confederation's 220 member trade associations or employer organisations.

For the smaller companies the scheme will enable the employer to offer terms comparable with those which the large company can obtain and better than those available from the proposed State scheme. It may also be attractive to larger companies where a mobile labour force makes it difficult at present to include all employees in a pension scheme.

The news follows the announcement on Wednesday of a group pension plan promoted by the Birmingham Chamber of Commerce for its member companies.

Two advantages

The CBI scheme has two particular advantages. Because of the spread of risk involved it is possible to provide life assurance for employees with no evidence of health. It will also provide easily transferable pensions for companies participating in the scheme, in line with the Government requirements.

From the point of view of the small company, it is argued, a major benefit is the reduction of administrative tasks to the minimum. It has also been possible to negotiate "specially advantageous terms" as a result of grouping together employees from many companies.

The scheme has been designed for the CBI by Sedgwick Forbes McNicoll, who have been appointed as consultants and administrators. It is underwritten by Equity and Law Life Assurance Society.

The scheme provides for three scales of contribution and benefit, each including a personal pension, a widow's pension and a cash sum payable on death during service. There is also a built-in inflation hedge, providing for a 3 per cent. rise in payments each year. The minimum level of benefits has been designed to secure "recognition" under the new legislation and therefore exemption from the State Reserve Scheme for male employees.

For the CBI it is a non-profit making operation, and advice from the consultants and the insurers is available free to all its members.

Wine trade appeal on profit controls

BY KENNETH GOODING

WORRIED WINE and spirit traders have written to the Price Commission pointing out that the business viability of some companies could be damaged if profit controls are applied on any other than an annual basis.

The letter has gone from the Wine and Spirit Association whose chairman, Mr. Peter Noble, maintained last night: "The wine and spirit trade is probably affected by seasonal movement more than any other. Some businesses in the trade make a net profit only over the four to eight weeks of Christmas trading."

The association is worried about the provision under the counter-inflation policies which resulted in stores group Littlewoods reducing prices after its profits over a three-month period were shown to be running above its reference level.

"An interpretation and requirement of this kind could be most worrying and even damaging to the viability of companies in our trade," commented Mr. Noble. "Some companies already sit on a knife-edge of uncertainty over the Christmas period."

The association has urged the Commission to apply the widest possible interpretation of the controls when dealing with the wine and spirit trade and to review net profit only on an annual basis.

A spokesman for the Commission confirmed last night that the letter had been received "but we have no idea yet when we will be able to reply."

Britain 'has no effective competition policy'

Financial Times Reporter

BRITAIN STILL does not possess an effective competition policy, in spite of the introduction of the 1973 Fair Trading Act according to Mr. George Polanyi, an industrial economist and Research Associate of the Institute of Economic Affairs.

In an IEA pamphlet Which Way Monopoly Policy?, Mr. Polanyi says the existence of the Fair Trading Act "improves the administrative machinery but it leaves the issue of objectives and methods largely open."

He argues that there is still "an unduly large area of discretionary control" in U.K. monopoly policy, and "inadequate concentration on the central aim of promoting competition."

"Instead of wide ranging investigations where neither the (Monopolies and Mergers) Commission nor the firms summoned before it can anticipate what will be the critical issue," says Mr. Polanyi it should be known from the start "that whatever hinders competition will be subject to criticism, and all else will be irrelevant."

He adds that questions of efficiency—except in regard to the degree of competition—should be left out of account. Similarly "considerations of regional policy or of the rights of dismissed employees would be left to be dealt with by other parts of public policy."

Mr. Polanyi examines in detail the recent investigations into Roche Products, Turner and Newall and Kelloggs. He asserts that the verdicts in these three cases could not have been anticipated from general principles in law or in previous decisions of the Monopolies Commission.

Which Way Monopoly Policy? George Polanyi. Institute of Economic Affairs, 2, Lord North Street, London, SW1P 3LB; 75p.

Taverne launches Campaign for Social Democracy

BY RICHARD EVANS, LOBBY CORRESPONDENT

MR. DICK TAVERNE, MP for Lincoln, yesterday launched his new political movement — the Campaign for Social Democracy.

The aim, he said at a London Press conference, was "to change the course of British politics," but it would act as a pressure group rather than a political party.

Because of his pro-Common

Mr. Dick Taverne, MP

Market views, Mr. Taverne resigned as Labour MP for Lincoln then trounced the official Labour candidate in a by-election last March 1.

Intentions

"We intend to influence the policies of other parties," he declared yesterday. "We don't rule out the possibility that we may at some stage field Parliamentary candidates, but I emphasise that is not our present intention."

The most desirable result of the campaign in the long run would be a re-alignment of the Left."

To launch the campaign in earnest Mr. Taverne is to hold a series of rallies in the coming two weeks in order to create a grass roots movement in provi cial centres where there could t a reservoir of disenchant Labour voters.

The rallies will be in Clec heaton, Manchester, Newcastl Nottingham, Leeds and Norwic

Since there had been no clari call within the Labour Party the overwhelming voice of t Marxist left, Mr. Taverne argue the campaign would be soundi it from outside.

He made it clear he inten to chase votes from both t Labour and Liberal parties.

Mr. Taverne attacked Lab for being "on the verge becoming the party of class wa and the Liberals for "enteri the promises auction."

He also opposed Libe policies of direct action.

Above all, however, he call for realism in politics.

"We are aiming for a soci of equal opportunity and eq rights in which the quality of l is not determined by class, s or the privilege of inherit wealth."

Conflicts

Mr. Taverne's announcem was clearly timed to coinci with the Labour Party c ference which starts at Blackp on Monday.

He is well aware that Labo continuing conflicts over Common Market, public own ship and other issues are making it easy inside the pa for many of his former ri wing colleagues.

'Third airport needed urgently solely on noise grounds'

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE NOISE Advisory Council has told the Government that, solely on noise grounds, a third major airport for London is needed as soon as possible.

After studying reports from its various working parties on noise, on minimum noise routings at Heathrow and on the prospects for quieter aircraft, the council has told Mr. Eldon Griffiths, Parliamentary Under-Secretary of State at the Department of the Environment, that noise disturbance at Heathrow is now severe.

It believes that "relief at Heathrow is needed as soon as possible," and the most effective way of achieving this is likely to be a decrease in the number of aircraft movements.

"The only certain way of ensuring such a decrease is the provision of a third London airport."

The council says that, while there are "hopeful possibilities" for quieter engines, their introduction on subsonic aircraft will reduce the noise around airports by only relatively small amounts.

Long life

"The council also wishes to emphasise that the economic life of existing noisy aircraft is still comparatively long, and that retrofit arrangements for reducing noise are not likely to make a very significant impact as far as can be realistically foreseen.

"The council considers that optimism about the rate of improvement may have been overstated by some of the proponents of these techniques."

Airbus American tour brings hopes of orders

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

HOPES ARE rising that the European A-300B airbus, which is now on a demonstration tour of North and South America, will win orders soon.

Hawker Siddeley Aviation, the U.K. participant in the airbus, for which it is making the wings and has an overall design consultancy, said yesterday that interest in the aircraft is mounting.

"The 260-seat airbus, which is the quietest of the new wide-bodied jets, was particularly welcome in Sao Paulo, where the airfield is near the centre of the city," Hawker Siddeley said.

"Its quietness and freedom from smoke and pollution impressed the chiefs of several South American airlines who flew in it," the company added.

The airbus is in Miami, and is to go on to Mexico, Chicago, Cincinnati, St. Louis, Boston and New York, before going to Caracas, Venezuela. It will return to Toulouse via Washington and Gander, Newfoundland.

So far, five airlines have placed orders and options for 39 airbuses.

NatWest opens first office in Canada

BY MICHAEL BLANDEN

THE National Westminster Bank to-day opens its first representative office in Canada, a further step in its expansion of international coverage.

The move follows news of the group's acquisition of substantial minority share stakes in leading banking groups in Holland and France.

Mr. Rodney Child, aged 39, will be in charge of the Toronto office. He has been sub-manager, operational control, of the bank's international banking division in London since January last year.

The new office will provide direct representation for the bank, particularly regarding services to its international company clients. NatWest has close contacts with the Royal Bank of Canada, with which it is associated in the Orion group of international banks.

WYSEPLANT DIVISION FORMED

Wyseplant of Chawston, Bedfordshire, sole U.K. agent for Kroll Tower Cranes, has formed a new trading division of the company to handle this agency and other crane sales and hire. The division, known as Wysecranes, is headed by Mr. Arthur Luckhurst, a director of Wyseplant.

New EEC terms major election issue says Benn

BY RICHARD EVANS, LOBBY CORRESPONDENT

MR. ANTHONY WEDGWOOD BENN, "shadow" spokesman on trade and industry, yesterday saw the Common Market as the major issue that would help the return of a Labour government at the next election.

The knowledge that only a Labour government would give the opportunity to renegotiate the terms of entry to the EEC would certainly have an effect on the outcome of the election, Mr. Benn told the Foreign Press Association in London.

"It is quite clear that many Conservative and Liberal voters who are hostile to Labour's domestic programme will still feel it to be their public duty to bring about or accept the election of a Labour government solely and simply to win for themselves the right of self-determination on this question, which is central to the future of our country."

It was already clear, and would become clearer still as polling day approached, that those who voted Conservative or Liberal would be, by that very act, endorsing British entry on the terms on which it was negotiated, and their vote would be interpreted subsequently as having explicitly confirmed these decisions.

"The only way in which a British voter can safeguard his rights of self-determination on the Common Market question will be by voting Labour. A Labour government would seek to re-negotiate the terms on a basis that would entirely safeguard our national interests."

Giving strong support to a policy outlined by Labour's Common Market spokesman Mr. Peter Shore last week, Mr. Benn said it was too early to say how these re-negotiations would proceed and what the time scale would be.

Fire grants urged for small hotels

A PLEA for Government grants to be made available to small hotels for fire precautions has been made by Mr. Geraint Morgan, QC, Conservative MP for Denbigh.

In a letter to the Home Secretary on behalf of Colwyn Bay and District Hotel and Guest House Association, Mr. Morgan said the provision of the precautions inevitably imposed a crippling burden on the average small hotelier.

He added: "I find it odd that the Government, while prepared to make grants for the renovation of old properties, and indeed for the extension of existing hotels, should so far have refused to consider making them for this very necessary purpose."

HONEYWELL COMPUTER FOR BUREAU

Comprehensive Computer S vices is to take delivery of £230,000 Honeywell 2050 compu at its Cleckheaton offices n month.

The computer, which is be made at Newhouse, Lanarksh will take over work running o Model 1200 computer, insta when the company was set up offer a bureau service to l businesses in 1967, as well as t running on a model 125 comp in the Liverpool offices of A Marston, another bureau ta over by CCS in 1969.

SDLP says 'yes' to early talks in Ulster

BY RHYS DAVID

BELFAST, Sept. 27.

EXPLORATORY talks on forming an executive in Northern Ireland could start on Monday week between the moderate political parties in the Province.

The meeting, which Government officials have been trying to promote for several weeks in separate talks with the party leaders, has now been called for by the Social Democratic and Labour Party, whose reluctance to make what might be too hasty a move has been one of the main reasons for the delay so far.

Mr. Brian Faulkner, leader of the Unionists, the other main party whose co-operation is needed to get an executive going, has indicated he sees no reason why talks should not start straight away. A positive welcome to negotiation has also been given by the Alliance Party.

The SDLP's proposal for the conference to start on October 8 and carry on until agreement is reached, came after a meeting of its 19-Assembly members.

A party statement said: "We are deeply concerned at the lack of urgency in some quarters in coming to terms with the problems that we must solve in order to create lasting peace in the country, and at the apparent unwillingness to face up to the issues involved."

It called for a conference of all those parties willing to create a fair system of administration in the North, and willing to participate in a power-sharing executive.

"We are willing to engage in discussions with anyone about the formation of such an executive," the statement said.

Although the SDLP is putting the blame on others for the delay, the statement makes it plain that there has been a slight shift in the party's approach, and it is this that is mainly responsible for breaking the deadlock.

The party has always insisted on parallel progress at three levels—reform of the police, creation of a meaningful Council of Ireland, and formation of an executive, but the first two have always appeared as prior conditions for progress on the third.

These are still stresses in the statement but the area in which the party now wants to see movement is clearly in relation to the executive.

The party has had a series of committees working out detailed economic and social policies. It is breaking new ground in suggesting the time is right for the talks.

In its statement it says that if agreement can be reached on such a programme and on the difficult question of the actual composition of the executive, the party would take office when the policing and Council of Ireland issues had been settled.

Mr. Faulkner said his party would hold discussions with parties which oepnly support the Constitutional Act—a ritual demand which has to be made if his Right-wing supporters in the Assembly and in the country are to be kept happy, and one which, in some form, the SDLP is likely to be able to meet.

Mr. Gerry Fitt, SDLP leader, has said this week that acceptance of the Act was implicit in his party's participation in recent elections and in its willingness to join an executive. A more formal declaration of acceptance is unlikely.

The Loyalists and unofficial unionists are included in the SDLP call for the talks, but they have already said they will not participate.

Officials at Stormont are now hurrying to set up the talks, although it is not certain that they will take place on the date suggested by the SDLP. Mr. Faulkner is expected to visit the Conservative conference that week.

● Ex-Guardsman Raymond Gee, formerly of the 2nd Battn. Scots Guards, who was paralysed from the neck down after being shot by a sniper in Londonderry, received an interim award of £20,000 compensation at Magherafelt County Court to-day. The money is for building a specially-equipped house.

Mrs. Anita Curry, wife of an SDLP Ulster Assembly member, was awarded £1,500 agreed damages at Tyrone County Court in Omagh. She was injured when two armed men forced their way into her home near Dungannon last November and beat her up.

Saleroom

Paintings realise £45,000

CHRISTIE'S opened its 1973-74 season in London yesterday with a sale of English and Continental pictures of the 19th and 20th century. The two-part sale totalled £45,203.

A wooded landscape with a cottage by James Stark went to a private buyer for 1,000 gns. A German buyer paid 900 gns. for a portrait of a young child by Friedrich August von Kaulbach, signed and dated 1905, while a pair of paintings of fruit by Oliver Clare sold to Omell Gallery for 750 gns.

A pair of marine pictures attributed to Spencer sold for 1,100 gns. to S. Carter, and Omell paid 650 gns. for a wooded landscape by Walter Williams.

The second day of a sale of English coins at Glendinings yesterday fetched £42,907, bringing the total to £154,996. Spink paid £920 for a Victorian proof Gothic crown of 1853, and Hearn £700 for a Commonwealth crown of 1654, one of the rare dates for this coin.

Baldwin bought a Charles I crown minted at Oxford and dated 1643 for £540, and a William I penny minted at Ilchester for £480.

At Sotheby's, a sale of 18th, 19th and 20th century drawings and watercolours realised £16,767. Baile gave £2,600 for *The Woodyard, Windsor Park* attributed to Paul Sandby, and Charles £820 for *Studies Interrupted* after Rowlandson. Webster paid £300 for *Rustics outside a cottage* by Myles Birket Foster.

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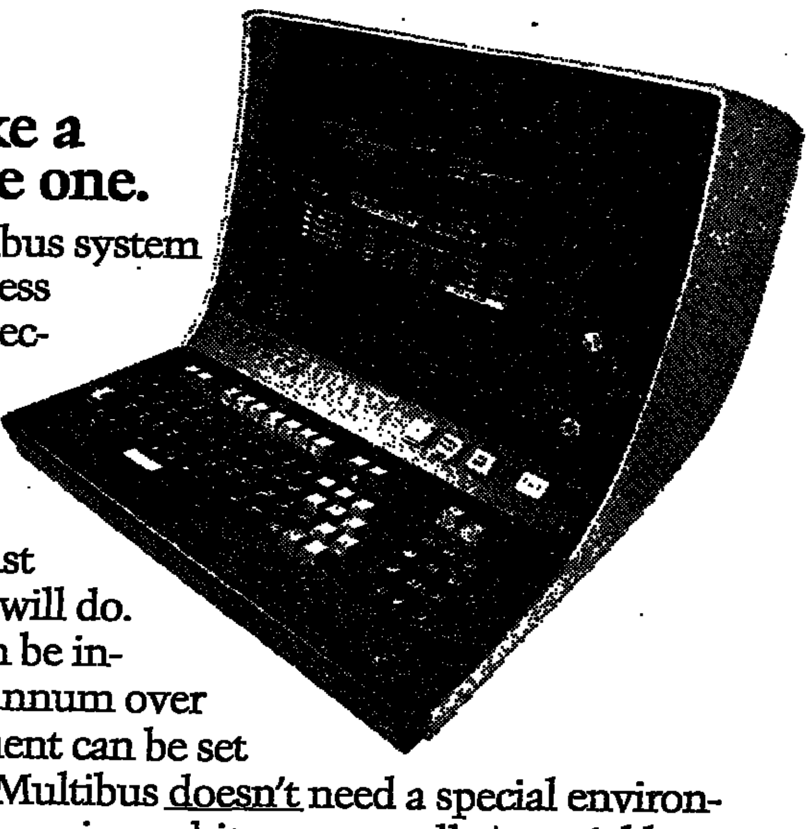

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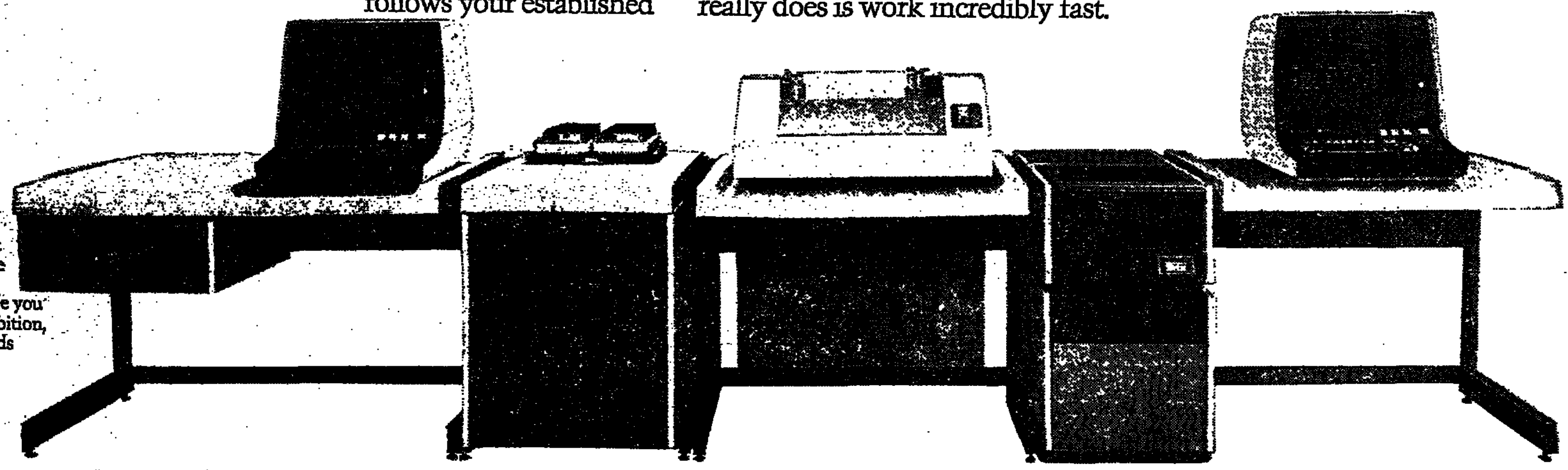

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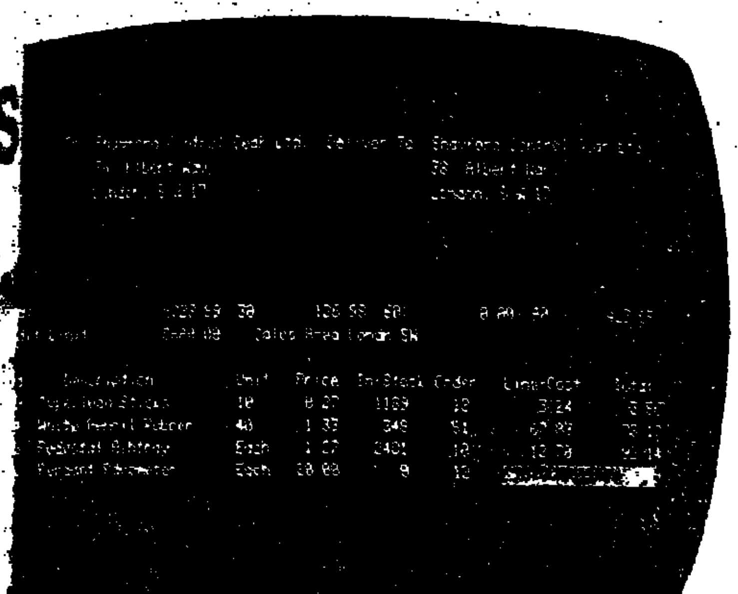

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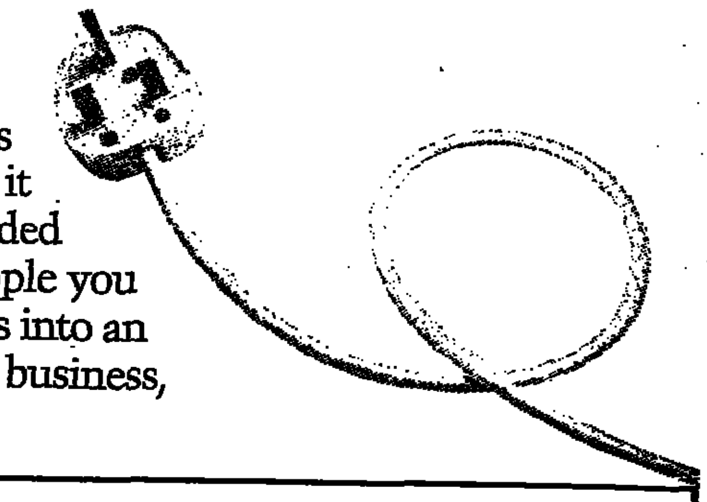

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Accessions tax is proposed in place of estate duty

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

AN INSTITUTE for Fiscal Studies publication this morning recommends that the U.K. should abandon the present system of estate duty in favour of an accessions tax.

Accessions tax (AT) is levied on recipients of gifts and legacies at rates determined by the size of the benefit received, not by the size of the estate from which it comes.

The authors of the IFS study—who include Professor J. R. M. Willis, former Inland Revenue deputy chairman—conclude that AT is entirely feasible administratively and that, although collection costs would be higher than under the present system, they would not be prohibitive.

Government help

In the past, the Government has appeared to be lukewarm in its attitude towards an accessions tax. At a Press conference, however, one of the joint authors—Mr. Cedric Sandford, Professor of Political Economy at Bath University—said the IFS had considerable help from the Government in carrying out its study, and advance copies were "being looked at with care by both Inland Revenue and the Chancellor."

Mr. Dick Taverne, MP, director of the institute, said: "I am sure this work will be seriously considered by the different political parties, and not treated simply as a technical study."

In discussing the merits of accessions tax, the FIS book says: "An AT has three main features which distinguish it from the present estate duty: it is based on the inheritance tax principle, it comprehends gifts and it is cumulative over a lifetime."

Whereas estate duty is levied on property left by the deceased, irrespective of its distribution, inheritance taxes are levied on what heirs receive, irrespective of the size of the original estate.

The authors say the main advantage of estate duty is that it is simpler to administer than inheritance tax. Often there is only one calculation of duty for each estate.

The main arguments in favour of an inheritance tax are that it is more in accordance with principles of equity, and "that it would be more efficient and effective in reducing inequalities resulting from inherited wealth."

Equity concepts

"Because an inheritance tax relates tax payment to the beneficiary it carries a high potential for approaching prevailing concepts of equity," the authors says. "In the form of an AT it can be related to the cumulative total of gifts and inheritances.

On *inequality* the authors say: "It is large inheritances, not large estates as such, which *perpetuate* inequality . . . a tax graduated according to the size of the inheritance thus strikes at the heart of the problem. An equivalent inheritance tax would tax estates left to one or a small number of heirs more heavily than estate duty, but a widely dispersed estate would be taxed less heavily.

The authors continue: "The second feature distinguishing an AT from the present U.K. estate duty is that an AT comprehends the taxation of gifts; under it, gifts and legacies would be treated precisely on a par for purposes of tax."

At present, they note, "the absence of a comprehensive gift tax leaves open a major gap for death duty avoidance. While, no doubt, the natural reluctance of many property owners to part with property before they must, combined with a seven-year gifts *inter vivos* provision, restricts successful avoidance of estate duty by gifts, it seems certain that much still continues."

Although they can give no firm estimates of the extent of death duty avoidance at present, the auhtors cite as "interesting and indicative" a calculation that in 1960 "the extent of avoidance was between 30 and 50 per cent. of the yield of estate duty" in that year.

Cuts avoidance

They continue: "The third feature which distinguishes an AT from estate duty is that it would accumulate inheritances and gifts together over a lifetime, being levied in relation to the cumulative total."

The merits of this, the book argues, are: first, it would reduce avoidance—"a simple inheritance-cum-gift tax, by which the rate of duty was determined by the individual inheritance or the individual gift, could easily be wholly or partly avoided by a donor splitting his gifts to the same donee."

"Secondly, cumulation increases the horizontal equity of the tax, that is to say it is in accordance with the principle that people of similar taxable capacity should be taxed the same."

"Thirdly, cumulation would make the tax more effective in reducing inequalities resulting from inherited wealth. He who had received most by inheritance (or gifts) would be taxed most heavily, regardless of the number of inheritances (or gifts) received."

The authors suggest that gifts should be taxed shortly after the time they are made and should be reported by donees after the end of a tax year. The AT reference number would be a person's National Insurance number.

It is estimated that the extra administrative cost of AT would be less than £3½m.

An Accessions Tax, Institute for Fiscal Studies, 24-28, Moorgate, London EC2R 6EA. (£2.50.)

Plaster shortage is easing

By Richard Mooney

BRITISH GYPSUM, the virtual monopoly supplier of plaster and plasterboard to the building trade, expects the current shortage of these products to begin to ease shortly, it said yesterday.

The company blames the high level of demand on the after-effects of last year's building strike and the unusually dry winter. The resulting bunching of the finishing trades is expected to work through the system during the autumn.

Demand caused by the unexpectedly high level of urban renewal work is likely to be maintained, however.

Already the plastering trade is finding that more plaster has become available through indirect suppliers.

The much-criticised rationing system which British Gypsum introduced in June can be abandoned fairly soon, the company says.

A further factor helping the supply situation is the recent opening by British Gypsum of a £3.6m. plant at Robertsbridge, Sussex, with a maximum capacity of 17m. square metres of plasterboard a year.

Capacity

At present in the commissioning stage, the new plant is working at only half the potential level but, once in full swing, it will add about 15 per cent. to the total capacity of the industry. The company has plans for a further new plant in the North of England, which will add another 15 per cent., next June.

The bagged plaster capacity of the Robertsbridge works has also been greatly increased and, with additions and improvements to its plants in the Midlands and North, British Gypsum expects to achieve a 15 per cent. increase in capacity in this sector.

Another major scheme at Fauld, Derbyshire, to be completed in September next year, should add a further 10 per cent. to the company's bagged plaster capacity.

British Gypsum is very conscious of its responsibilities as a monopoly supplier—the Monopolies Commission is expected to publish its report on the company by the end of the year—and has incurred substantial losses through importing expensive plasterboard from its Continental associates to upplement British supplies.

The exact amount of these losses have not been divulged but they are likely to be noted in the company's interim report which should be published at the end of next month.

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CHRYSLER UNITED KINGDOM

NORTH SEA OIL REVIEW BY ADRIAN HAMILTON

Planning insurance against the pollution hazard

THE NORTH SEA Operators Committee in the U.K. is now discussing the possibilities of setting up an industry insurance fund, on the lines already developed in the U.S. and in the international tanker field, to meet major pollution risks in off-shore operations.

The scheme, strongly encouraged by the Department of Trade and Industry, is an attempt to provide a voluntary framework for pollution insurance at a time when the host Governments surrounding the North Sea are expressing increasing concern at the possibilities that a major blow-out or leakage could seriously affect development there.

Just how serious the pollution risk is remains a subject of considerable debate within and without the industry. A number of incidents in the Gulf of Mexico and the Santa Barbara Channel have served to highlight some of the problems involved in off-shore work, and there are few in the industry who would absolutely guarantee that a major blow-out could not occur, and, that in extreme North Sea conditions, it might prove extremely difficult to get at.

Defences

On the other side of the coin, however, it can be argued that the record of pollution per well drilled off-shore is not nearly as poor as has sometimes been assumed; that technical progress has enabled the industry to build in several lines of defence in the form of automatic shut-off valves, and so on, during drilling and production; that all the oil found in the North Sea to date has been well away from land, so that the risks of leakages reaching the shore are relatively much less than in the U.S.; and that the geology of the North Sea has become sufficiently well-known by now for the companies to ensure that the right equipment is on board.

The main reasons for Government concern seem to be that the phase of sizeable production is being reached and that a large number of new companies, less experienced in the North Sea and relatively less able to carry on their own insurance against major risks, are now preparing to drill in the area for the first time.

Whether the Governments—which have already met to discuss the subject in London last March and who are now beginning to develop stringent rules on their own—will be prepared to accept a voluntary system rather than insisting that individual operators post sureties remains to be seen.

Exploration

In the U.S., companies stand for about $8m. each in the industry schemes and it is probably this sort of liability that the oil Operators Committee is now considering in the U.K. But a number of European Governments would clearly like to see the liability at much higher rates, and the Norwegians in particular are thought to be pressing for more. The U.K. talks are taking place in close consultation with the DTI and a formula could be reached by the end of the year.

On the exploration side, meanwhile, the East Shetland scene has once again been brightened by the Conoco-NCB-Gulf oil find on 211/28 announced yesterday night. The find not only means one more valuable addition to the whole Brent-Dunlin complex of reserves now being built up but is also thought to contain considerable potential in its own right.

Just to the south of the Conoco find, Burmah Oil is preparing to drill with its Ocean Kokuei rig on the giant structure that stretches north-south from Burmah's block 3/3 to BP/Ranger's block 3/8. The prospects here could be as good as at Brent and Dunlin, and the fact that both groups involved (BP/Ranger is now drilling ahead on 3/8 with the Sedco K are drilling in tandem gives some idea of the regard in which it is held.

Another new rig entering the North Sea now is the Western Pacesetter, which has started drilling for the Ashaland group on block 29/16, east of Dundee, and directly west of Auk. This is the first U.K. North Sea well by the group (which includes Dunlop Holdings, P & O, and Whitehall Petroleum, each with 10 per cent. shareholdings).

The Western Pacesetter is going next to Sun Oil and will then come to Siebens Oil early next year, which could well use it or another rig to drill its first well west of the Shetlands. The development could be an interesting one. No drilling has been done in the West Shetlands region since Esso drilled a quick and shallow hole (believed to have bottomed out at around 6,000 feet) there last year. Esso's well is thought to have been largely aimed at obtaining geological information to provide a better fix for its seismic interpretation. The region remains relatively unknown.

But the Basin is thought to be divided up into fault blocks containing very sizeable depths of sediment and several companies, including Shell and possibly BP, could well drill there during the next season.

Dutch sector

Back east of the Orkneys, Mobil has quietly suspended drilling its important well just west of the Beryl Field in block 9/13 and has released the drill-ship, Glomar V, from the North Sea for work off West Africa. Drilling, which had been well advanced, was interrupted by poor weather and the group (which includes the Gas Corporation) was forced to move the ship, which is not suitable for winter conditions. No indication of the results of the drilling to date have yet been revealed but the group is planning to return to the site either later this year or early next year, depending on rig availability—which suggests that it is not unhopeful. The well was intended to prove an adjoining structure to Beryl and, if successful, could have done much to increase reserves in the block.

Finally, in the Dutch sector of the North Sea, the Netherlands has now announced that it has awarded a production licence to the Noordwinning group, led by Pennzoil and including Selection Trust of the U.K. as a partner, for block K/13. The Government's decision to take a 40 per cent interest in the gas exploitation there is clear indication of what it will presumably also be seeking on the other applications for production licences made by NAM and Petroland.

Gas fields

The decision is also likely to lead to fairly rapid development of the Noordwinning and other finds in the area. Pennzoil, as operator for the group, has been drilling a second well on the block, where gas was discovered last year. Results of the well are believed to have been good.

The find is close to a number of small gas discoveries by the NAM partnership of Shell/Esso which has also been testing a gas well on the adjoining block to the east, K/14, this month. On completion of this well NAM will move the rig, Transocean I, to block K/7, to the north-west. The partnership has already applied for production licences on blocks K/14 and K/17 and is expected to apply for licences on its gas finds on K/7, K/8 and K/11 too, after carrying out further work in the area. Joint distribution from all these finds is obviously one possibility.

Meanwhile, in the area of Placid's L/10 gas field offshore the Netherlands, Placid itself is working on development drilling on the field while the French Petroland group has begun work on a further well on block L/7, for which the group has already applied for a production licence.

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py of this document, having attached thereto the docum ents specified below, has been delivered to the Registrar of Companies for registration.
document contains particulars given in compliance with the Regulations of the Council of The Stock Exchange for the purpose of giving information to the public with regard to the Company. The Directors collectively and individually accept full lity for the accuracy of the information given and confi rm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.
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HARRY SHIPMAN, F.C.A., 4, Chalton Drive, London N2 0QW.
HARRY TURPIN, F.C.A., "Stonygarth", 286, Tadcaster Road, York, YO2 2ET.
ERIC JOHN THORNTON, "Woodcroft", 4, Layton Mount, Rawdon, Nr. Leeds, LS19 6PQ. *(Works Director.)*

Bankers

MIDLAND BANK LIMITED, Park Row, Leeds LS1 1QS.

Brokers

MITTON BUTLER PRIEST & CO. LIMITED, City Wall House, 84/90, Chiswell Street, London EC1Y 4TB, and The Stock Exchange.

Solicitors

BEDDINGTON HUGHES & HOBART, 25, Queen Anne Street, London W1M 0LU.

Auditors

S. R. FULLER & CO. (Chartered Accountants), 148, Woodhouse Lane, Leeds LS2 9EW.

Reporting Accountants

S. R. FULLER & CO. (Auditors to the Company.)
THOMAS MAY & CO., Allen House, Newarke Street, Leicester LE1 5SG (Chartered Accountants.) (Reporting on David Dixon & Son Limited and its present subsidiaries)
COOPERS & LYBRAND, 14, Cross Burgess Street, Sheffield S1 1QA, and London. (Chartered Accountants.)
T. E. HOLBROOK, Westfield House, 128, Derby Road, Long Eaton, Nottinghamshire NG10 4ER. (Certified Accountant.) (Reporting on Minard Knitting and its subsidiaries)
DEARDEN, LORD, ANNAN, MORRISH, St. James's Buildings, Oxford Street, Manchester M1 6FS, and London. (Chartered Accountants.) (Reporting on Scholarsville and its subsidiaries)

Secretary and Registered Office and Registrar and Transfer Office

ROBERT CLIFFORD CALVERT, F.C.A., Cardigan Mills, Kirkstall Road, Leeds LS4 2BN.

XON & SON LIMITED ("the Company")

d Business

mpany was incorporated in England on 13th August, 1912 to acquire and take over as a going e business of woollen and worsted cloth manufacturers and merchants, dyers and finishers thereto- d on by a company of the same name at Cardigan Mills, Kirkstall Road, Leeds and elsewhere. h July, 1945 it became a public company. The 6 per cent. Cumulative Preference shares of £1 each rdinary shares of 25p each of the Company were listed in the Official List of The Stock Exchange August, 1973.

the date of its incorporation the Company continued to carry on its business at Leeds and on mber, 1973 it contracted (Contract (4) below) with its subsidiary David Dixon & Son (Leeds) Limited eeds") to transfer such business to that subsidiary, in order that the Company may operate as a mpany. It is intended that Dixon Leeds shall continue the business formerly carried on by the which has a long established reputation in quality woollen cloths.

mpany's principal suppliers of raw materials are Cullingworth Textiles Limited (1973: 12.19 per : 11.84 per cent.—1971: 12.65 per cent.) and A. F. Wilkinson Limited (1973: 11.24 per cent.—1972: Nil). Relations between the Company and its suppliers are good, but there are numerous sources of supply for all materials and supplies used by the Company. Sales by the Company are range of customers and during the three financial periods of the Company ended 7th April, 1973 er accounted for 10 per cent. or more of sales by the Company. Sales for export (of which tely 80 per cent. were to North America and 10 per cent. to Switzerland and Scandinavia) in the year ended 7th April, 1973 for approximately 12.2 per cent. of total sales. (1972: 12.9 per : 7.9 per cent.)

February and April 1962 the Company acquired the whole of the Ordinary share capital of Edward 'eadon) Limited ("Denison") which then also carried on the business of the manufacture of woollen mill in Yeadon, Yorkshire. Latterly, the business was not successful and production ceased in 1971. On 26th and 27th April, 1972 the major part of the plant and machinery at Yeadon was action, and the freehold property then owned by Denison was sold in January 1973 (Contract (5) the remaining plant was disposed of in April 1973. Denison has now changed its name to David son (Leeds) Limited to which the Company proposes to transfer its business as detailed above, ferred to hereafter as "Dixon Leeds".

tember 1972, Mr. R. A. Sutton, the present chairman, announced in the Press an intention to make itional offer to acquire all the 6 per cent. Cumulative Preference shares of £1 each and all the hares of 25p each of the Company not owned by him or persons acting in concert with him. The e duly made and subsequently all the then Directors of the Company, with the exception of the Directors, namely, Mr. Edward Birkenshaw and Mr. E. J. Thornton, retired and were replaced ton and Mr. Shipman. In February 1973, Mr. Turpin joined the Board.

nt to Agreement dated 23rd July, 1973 between Harry Scott (1), Deacon & Smith Limited (2) and the Company (3) ("the Deacon Sale Agreement"—Contract (2) below) the Company at the price of £243,000 paid in cash at completion (plus the discharge of the vendor's legal, and other expenses amounting, including VAT, to £7,250) the entire issued share capital of Deacon, rs of men's half hose, ladies' stockings, children's socks and three-quarter hose, a business established in 1919.

eacon Sale Agreement provided an indemnity by Mr. Harry Scott, the controlling shareholder, tate duty and taxation liabilities, together with the warranties with respect to the undertaking normal in the case of a private company, including a warranty as to the absence of litigation s of material significance.

ompany, which will henceforth operate as a holding company, now has subsidiaries, as listed of which are incorporated in England and all of which (except as noted thereunder) are wholly-

	Date of incorporation	Authorised capital	Issued share capital
ds (formerly Denison)	23rd June, 1945	£230,000	£165,000 in 5½ per cent. Cumulative Preference shares of £1 each (Note 1 below). £165,000 in Ordinary shares of 20p.
enison Limited	2nd Feb., 1962	£150,000	£140,000 (Note 2).
	13th Nov., 1919	142,400	142,400.

4,570 (94.8 per cent.) of the Dixon Leeds 5½ per cent. Cumulative Preference (which Preference listed as Denison in the Official List of The Stock Exchange) are not owned by the Company.
lward Denison Limited is not trading.
completion of the purchase provided for by the Conditional Contract (see below) Minard and Scholarsville and their respective subsidiaries (the details of which are set forth below) ecome subsidiaries of the Company.

remises of the Company and its present subsidiaries ("the Dixon Group") are as follows:—

	Tenure	Use	Area in sq. ft.	Total site area in sq. yards
Mills	Freehold	Factory and warehouse	76,500	5,824
		Offices	2,400	
Works, Leicester	Freehold	Factory and warehouse	15,264	approx.
		Offices	545	3,400

Directors are of the opinion that the book value of Cardigan Mills at 7th April, 1973 (£33,118), based on a 1920 valuation plus additions and less depreciation, is lower than current market value g concern basis, and that the market value is now approximately £125,000. The Shepshed premises ued on 6th April, 1973 by Gartons, Chartered Surveyors and Valuers of Loughborough, on a ossession basis representing current value in the open market at £57,500.

1944 the Company has carried out a policy of plant modernisation at Cardigan Mills and in 1946 rding and spinning plant was installed. Since 1946 additional plant costs (less disposals) have to more than £400,000. The plant is included in the accounts at the 1946 book value, plus since that date, less disposals and depreciation at varying rates estimated to write off the assets r useful life. The Directors are of the opinion that the value of the plant at Cardigan Mills, on oncern basis, is greater than its book value at 7th April, 1973, namely, £176,454.
e premises of Deacon the plant is well maintained and was valued for the purposes of the n by the Company on a going concern basis at a figure substantially in excess of book value ation has not been written into the accounts of Deacon.

ent

usiness of the Company, now in course of transfer to its subsidiary Dixon Leeds, is under the directorship of Mr E. Birkenshaw, aged 49 years, who has been with Dixon since June 1951 E. J. Thornton, aged 46 years, who joined the Board in January 1963. They both entered into Agreements with the Company on 16th June, 1972. The other directors of the Company are Mr. tton, aged 44 years, a member of The Stock Exchange, appointed to the Board in November 1972; hipman, aged 48 years, a practising chartered accountant, who joined the Board in November, 1972; H. Turpin, aged 46 years, a chartered accountant, who is a financial adviser to several Yorkshire s (which are engaged in businesses different from the woollen and hosiery industries) and was a director in February 1973. Details of the Service Agreements and of the directors are to be low under "Directors and other interests as respects the Dixon Group." The Directors are by a management which the Board considers to be adequate. The number of persons employed at 243 (143 male and 100 female) and relations with the staff are good.
H. Beesley (aged 68 years, who has had 35 years experience in the business) was appointed a of Deacon in October 1966, and is the general manager of Deacon. On 26th July, 1973 he entered ervice Agreement for three years from 1st August, 1973 at a salary of £5,000 per annum with a ion of 5 per cent. of profits in excess of £40,000 per annum, subject to a maximum commission of he is supported by a strong management team.
Deacon Sale Agreement provided for Mr. H. Scott (controlling shareholder of Deacon up to the sale of the share capital of Deacon to the Company) to serve Deacon for a period of two years nsultant at a salary of £2,500 per annum and expenses. Such arrangements were terminated on st, 1973 when a sum of £5,000 was paid to Mr. Scott by way of compensation.
other directors of Deacon resigned following the acquisition of its share capital by the Company resent Mr. H. Shipman is the only other member of the Board of Deacon. The intention of the of the Company is that the business of Deacon be integrated into the Minard Knitting and ville Groups (referred to below) under the managing directorship of Mr. F. E. Winfield. loyees at Shepshed number 90 (male 35, female 55) and relations with staff are good. Deacon a wide range of customers and no one of them has in the three financial years of Deacon ended ober, 1972 accounted for more than 10 per cent. of sales. Supplies for Deacon are obtained from different from those of the Company but Deacon is not reliant on any supplier and alternative are available.

nts' Report on Dixon Group

following is a copy of a report dated 25th September, 1973 received from S. R. Fuller & Co., the of the Company, and Thomas May & Co., the auditors of Deacon:—

ectors.
DIXON & SON LTD.
en.

We have examined the audited accounts of David Dixon & Son Limited ("the company") and Denison (Yeadon) Limited ("the subsidiary") for the five years ended 7th April, 1973 and the accounts of Deacon & Smith Limited ("Deacon") for the five years ended 31st October, 1972 and od 1st November, 1972 to 12th May, 1973.
The company was incorporated on 13th August, 1912 and acquired the whole of the ordinary share of the subsidiary for cash £311,813 between February and April, 1962 and £5,430 5½ per cent. cumulative ce shares of £1 each on various dates since February, 1962 for cash, £1,687.
By Agreement dated 23rd July, 1973 between Harry Scott (1) Deacon (2) and the company (3) ("the Sale Agreement") the company purchased the entire issued share capital of Deacon at the price of paid in cash at completion and the company also discharged the vendors' legal, accounting and other s amounting (including V.A.T.) to £7,250. The usual indemnities in relation to taxation and estate ere obtained and, in addition, Mr. Scott gave normal warranties with respect to the undertaking and ncluding a warranty as to the absence of litigation or claims of material importance.
S. R. Fuller & Co., Chartered Accountants, Leeds, have been the auditors of the company and sidiary and Thomas May & Co., Leicester, have been the auditors of Deacon during the whole of riod under review. No audited accounts have been made up for the company and the subsidiary th April, 1973 or for Deacon since 12th May, 1973. Thomas May & Co. not having audited the ts of the Company and the subsidiary, join in this report solely for the purpose of reporting on and express an opinion with respect to the Company and the subsidiary.
Accounting policies. The following are the principal accounting policies which have been consistently during the period covered by this report:—
nover represents the invoice value of sales to third parties after deducting returns and allowances.
preciation of fixed assets (other than freehold land and buildings—see (c) below) is on a straight line s, calculated at annual rates to write off the cost of the assets, after deducting investment grants, r their estimated useful lives.
e rates used are as follows:—

	Between
Plant and machinery	5 per cent. and 15 per cent.
Fixtures and fittings	5 per cent. and 10 per cent.
Motor vehicles	20 per cent. and 25 per cent.

depreciation is charged in respect of plant and machinery in use during the period but which was itten down to nil. The average effective rate of depreciation charged during the period, calculated on cost of plant and machinery in use, is 4.4 per cent.
xon freehold land and buildings have been depreciated on a straight line basis at the annual rate of per cent. based on cost or the 1920 valuation. Deacon freehold land and buildings were re-valued in ril, 1973. No depreciation has been charged by Deacon.
ock and work in progress have been valued at the lower of cost and net realisable value.
provision has been made in the statement of turnover and results (6), for deferred taxation on the ess of the book value of fixed assets qualifying for taxation allowances, over their written down value r tax purposes but account has been taken in the consolidated balance sheet, set out in paragraph 8, such deferred taxation, together with deferred taxation estimated at £12,000, which would arise if the ehold land and buildings of Deacon were sold for the price at which they have been re-valued.
Turnover and results. The turnover and results of Dixon and Deacon for the five years ended pril, 1973 after making such adjustments to the audited accounts as in our opinion are appropriate ing apportionments on a time basis to bring the year end of Deacon into line with the year end xon are set out below. The turnover and results of the subsidiary, which ceased trading prior to pril, 1973, have been excluded.

	1969 Dixon £'000	1969 Deacon £'000	1969 Total £'000	1970 Dixon £'000	1970 Deacon £'000	1970 Total £'000	Years ended 7th April 1971 Dixon £'000	1971 Deacon £'000	1971 Total £'000	1972 Dixon £'000	1972 Deacon £'000	1972 Total £'000	1973 Dixon £'000	1973 Deacon £'000	1973 Total £'000
Turnover	799.1	280.5	1,079.6	685.6	291.6	977.2	781.0	311.7	1,092.7	673.8	311.1	984.9	1,033.0	315.0	1,348.0
Cost of sales	728.5	257.6	986.1	674.2	267.3	941.5	704.0	283.5	987.5	656.6	285.2	941.8	968.6	291.9	1,260.5
Including: Depreciation	14.4	4.8	19.2	14.9	5.5	20.4	14.9	6.1	21.0	16.1	6.8	22.9	20.5	8.0	28.5
Interest receivable	—	1.0	1.0	—	.6	.6	—	.8	.8	—	2.0	2.0	—	2.7	2.7
Profit before taxation	61.6	23.9	85.5	11.4	24.9	36.3	77.0	29.0	106.0	17.2	27.9	45.1	64.4	25.8	90.2
Taxation (note)	23.4	9.8	33.2	.7	10.0	10.7	26.0	11.1	37.1	4.6	7.4	12.0	—	6.5	6.5
Exceptional financial and legal expenses	—	—	—	—	—	—	—	—	—	—	—	—	14.0	—	14.0
Profit attributable to shareholders	38.2	14.1	52.3	10.7	14.9	25.6	51.0	17.9	68.9	12.6	20.5	33.1	50.4	19.3	69.7
Dividends paid— Preference	3.3	.2	3.5	3.3	.2	3.5	3.3	.2	3.5	3.3	.2	3.5	3.3	.1	3.4
Ordinary	24.6	1.9	26.5	20.5	.6	21.1	20.5	1.9	22.4	3.3	2.2	5.5	20.5	1.1	21.6
	27.9	2.1	30.0	23.8	.8	24.6	23.8	2.1	25.9	6.6	2.4	9.0	23.8	1.2	25.0
Retained profit	10.3	12.0	22.3	(13.1)	14.1	1.0	27.2	15.8	43.0	6.0	18.1	24.1	26.6	18.1	44.7

Note: Taxation is based on the profits of the year and is calculated at the rates of taxation appropriate to the relevant years. Dixon tax shown above is the estimated liability on Dixon's profits assuming 1st year allowances are not taken in 1972. No account has been taken of interest paid or payable by Dixon to Denison or of intercompany dividends.

7. The aggregate emoluments of the directors of the company and Deacon (apportioned on a time basis) for the year ended 7th April, 1973 amounted to £26,639. Under the arrangements now in force the aggregate emoluments of the directors on a similar basis would have amounted to £18,211.

8. The following is a summary of the balance sheet of the company at 7th April, 1973 and a summary of the consolidated balance sheet of the company and the subsidiary at 7th April, 1973 and Deacon at 12th May, 1973.

	The Company £'000	The Company £'000	The Group £'000	The Group £'000
FIXED ASSETS				
Freehold land and buildings at cost	24.5		24.5	
at valuation (1920)	25.5		25.5	
at valuation (1973) (note b)	—		57.5	
	50.0		107.5	
Deduct: Accumulated depreciation	16.9		16.9	
		33.1		90.6
Plant, machinery, equipment and motor vehicles at cost	427.8		581.3	
Deduct: Accumulated depreciation	251.3		363.5	
		176.5		217.8
		209.6		308.4
INTEREST IN SUBSIDIARY COMPANY				
Shares at cost	316.7			
Deduct: amount owing to subsidiary	190.2			
		126.5		—
INVESTMENTS AT COST (estimated market value £400)		.1		.1
CURRENT ASSETS				
Stock and work in progress	240.1		319.6	
Debtors and prepayments	159.7		189.6	
Cash and bank balances	.2		402.5	
	400.0		911.7	
Deduct: CURRENT LIABILITIES				
Creditors and accrued charges	126.7		181.0	
Due to bankers (note a)	186.5		186.5	
Current taxation	—		—	
Proposed dividends since paid	21.4		23.9	
	334.6		391.4	
	65.4		520.3	
Deduct: cost of shares in Deacon & Smith Ltd.	—		250.2	
		65.4		270.1
NET CURRENT ASSETS		401.6		576.6
DEFERRED LIABILITIES				
Corporation tax	—		26.8	
Deferred taxation (note c)	34.0		51.0	
		34.0		81.8
		367.6		496.8
Excess cost of shares in Deacon & Smith Ltd. over book value of assets acquired		—		59.8
		367.6		556.6
Deduct: Minority interests		—		126.6
		367.6		430.0
Represented by Issued Share Capital: Ordinary	164.3		164.3	
6 per cent. Cumulative Preference Shares	54.8		54.8	
		219.1		219.1
Revenue Reserves		148.5		210.9
		367.6		430.0

NOTES:

(a) The bank hold as security an Unlimited and Multilateral Guarantee signed on behalf of the Company and the Subsidiary securing the accounts and liabilities of the said companies.

(b) The freehold properties are included in the above statement at the valuation dated 6th April, 1973 made by Gartons, Chartered Surveyors and Valuers of Loughborough, on a vacant possession basis representing current value in the open market.

(c) In the above statement provision has been made for estimated deferred taxation
(1) which would arise if the freehold land and buildings of Deacon were sold for the price at which they have been re-valued,
and (2) on the excess of the book value of those fixed assets of the company the subsidiary and Deacon qualifying for taxation allowances other than freehold land and buildings, over their written down value for tax purposes.

9. Future capital expenditure of the company and the subsidiary at 7th April, 1973 and Deacon at 12th May, 1973 were as follows:—

	£
Contracted but not provided for	71,750
Authorised but not contracted for	15,000

Yours faithfully,
S. R. FULLER & CO.,
THOMAS MAY & CO.,
Chartered Accountants.

ACQUISITION OF MINARD KNITTING LIMITED AND SCHOLARSVILLE LIMITED

Brief description of transaction

On 2nd August, 1973 the Company entered into a conditional contract ("the Conditional Contract"—Contract (1) below) for the acquisition by the Company of the entire issued share capital of Minard Knitting and Scholarsville from Muring Securities Limited ("Muring"), a wholly-owned subsidiary of Bank Bridge Securities Limited ("Bank Bridge") both of 014 Market Place, Altrincham, Cheshire WA14 4DF. The principal terms are set out below under the heading "Conditional Contract". The consideration for the acquisition is £1,650,000 to be satisfied as to £750,000 in cash at completion and as to £900,000 by the allotment (credited as fully paid) of 600,000 Ordinary shares of 25p each of the Company ranking pari passu in all respects with the Ordinary shares of the Company presently in issue. In addition, a sum of £220,000 is to be paid by the Company at completion to satisfy an outstanding obligation arising from the acquisition by Minard Knitting of one of its subsidiaries, such obligation being a deferred purchase consideration related to future profits which has now been compounded so as to permit the Company to settle the same at completion. Both Minard Knitting and Scholarsville are holding companies having a number of subsidiaries, the details of which are set out below.

Minard Knitting and its subsidiaries ("the Minard Knitting Group") operate four main production units at Sutton-in-Ashfield (Nottinghamshire) Earl Shilton (Leicestershire) Syston (Leicestershire) and Kendal (Westmorland) and manufacture a wide range of socks, stockings, tights and briefs, comprising all operations following the purchase of raw materials including dyeing and finishing. The Minard Knitting Group also has a small complex of machines producing double jersey and other fabrics, which is also cut, sewn and made up within the Group.

Scholarsville and its subsidiaries ("the Scholarsville Group") carry on at Leek (Staffordshire) the manufacture of high speed warp and weft fabric, principally for ladies' and children's wear and, as an adjunct, dye and make up into ladies' underwear part of their own manufactured fabric and sell part of such fabric to companies of the Minard Knitting Group.

Approval of the Conditional Contract was given at the Extraordinary General Meeting of the Company held on 27th September, 1973 and completion of the purchase of the Minard Knitting and Scholarsville Groups is intended to be effected as soon as practicable following the satisfaction of the only outstanding condition of the Conditional Contract (namely the grant of listing by the Council of The Stock Exchange in the terms set out below under the heading "Conditional Contract") and, at completion, Mr. Francis Gerard Mulryan, F.C.A., of June Corner, Hale Barnes, Cheshire, managing director of Bank Bridge, will be invited by the directors to join the Board of the Company, in a non-executive capacity.

MINARD KNITTING GROUP

History and business

Minard Knitting was incorporated in England on 13th April, 1971 and now has an authorised capital of £300 divided into 100 Ordinary Shares of £1 each and 200 Deferred shares of £1 each, all of which have been issued and are fully paid. Minard Knitting acquired:—

(a) 90 per cent. of the entire share capital of A. G. Minard & Sons Limited ("A. G. Minard") of Earl Shilton, Leicestershire (founded in 1929) with its wholly-owned subsidiary T. L. Perkins Limited ("Perkins") on 16th April, 1971;

(b) The goodwill, undertaking and assets of the business (founded in 1937) of dyers of hosiery products now carried on by Martins (Syston) Limited ("Martins") at Syston, Leicestershire on 31st December, 1971 (Contract (13) below);

(c) The entire share capital of E. W. Thomson & Sons Limited ("Thomson") of Kendal, Westmorland (founded in 1878) on 29th March, 1972 (Contract (12) below);

(d) The entire share capital of Tudsbury Limited ("Tudsbury") of Sutton-in-Ashfield, Nottinghamshire (founded in 1857) and its wholly-owned subsidiary Wembley Hosiery Mfg. Company Limited ("Wembley") on 16th May, 1972, subject to the shareholding of Mr. F. E. Winfield (Contracts (6), (7), (10) and (14) below);

(e) The entire share capital of Clarke & Orton Limited ("C. & O.") of Sutton-in-Ashfield, Nottinghamshire (founded in 1962) in August, 1972 (Contract (16) below).

In December, 1972, Tudsbury commenced the business of Correnfell Limited ("Correnfell") in the making up of underwear.

The activities of the companies of the Minard Knitting Group have been integrated into the operating units set out above and many benefits have been and are being derived, particularly in connection with bulk purchasing of raw materials, programming of production and sales, standardisation of methods and the interchange of skills within the Group.

Minard Knitting now has the following subsidiaries all of which were incorporated in England and all of which are (except as otherwise stated) wholly-owned:—

Name	Date of Incorporation	Authorised capital £	Issued share capital £
A. G. Minard	9th February, 1949	8,000 Ord. 32,000 Def.	3,200 Ord. 32,000 Def. (see note 1 below)
Perkins	21st March, 1952	25,000	16,500
Tudsbury	6th April, 1938	360,000	360,000 (see note 2 below)
Wembley	3rd December, 1948	5,100	5,100
Thomson	14th July, 1924	78,000	52,778
Martins	23rd December, 1971	100	100
C. & O.	20th March, 1963	60,000	60,000
Correnfell	12th December, 1972	100	100

Note 1. Ten per cent. of the issued Ordinary and Deferred shares of A. G. Minard are presently held by the following persons (the figures beside their names relating to Ordinary and Deferred shares respectively):—E. A. Minard 40:400, J. L. Minard 120:1,200, A. A. Minard 20:200, D. J. Minard 20:200, E. G. M. Minard 60:600 and P. W. M. Chamberlain 60:600.

2. 7.2 per cent. of the issued share capital of Tudsbury is presently held by Mr. F. E. Winfield, but the Conditional Contract provides for Muring to acquire such shares from them so as to enable it at completion to deliver the entire share capital of all the subsidiaries of Minard Knitting.

Yarn is purchased from four major companies and packaging and other materials are purchased from four other sources. Relations with suppliers are good and there is no difficulty in the Group companies obtaining supplies of raw materials, packaging materials and other items which are used, either from their present suppliers or from other sources.

The sales of the Minard Knitting Group are to a range of customers but chain store buyers accounted for approximately 95 per cent. of turnover in the four years ended 31st March, 1973. The only customer accounting for 10 per cent. or more of the Group sales is F. W. Woolworth & Co., Limited whose purchases accounted for 73.25 per cent. of sales in the year ended 31st March, 1973 (68.75 per cent. 1972 and 59.33 per cent. 1971). There is only one supplier of more than 10 per cent. of group supplies (1973: 12 per cent., 1972: 11 per cent., 1971: 13 per cent.) namely I.C.I. Fibres Limited.

Premises

The premises of the Minard Knitting Group are as follows:—

Location	Tenure	Use	Area in sq. ft.	Total site area in sq. yds.
Mansfield Road, Sutton-in-Ashfield, Notts.	Freehold	Factory and warehouse	38,237	11,827
		Offices	2,682	
Reform Street, Sutton-in-Ashfield, Notts.	Freehold	Factory and warehouse	13,698	4,273
		Offices	396	
102/104 Hinckley Road (with adjoining properties), Earl Shilton, Leicester	Freehold	Factory and warehouse	26,888	6,049
		Offices	1,446	
Dyeworks, Wanlip Road, Syston, Leicestershire	Freehold	Factory and warehouse	22,171	7,222
		Offices	962	
Sandes Avenue, Kendal, Westmorland	Freehold	Factory and warehouse	18,894	1,676
		Offices	1,050	
Bridge Mills, Stramongate, Kendal, Westmorland	Freehold	Factory and warehouse	15,102	5,160
		Offices	645	
Leasecroft Mills, Kendal, Westmorland	Freehold	Factory and warehouse	5,548	816
		Offices	326	

The last-mentioned property was acquired on 23rd May, 1973 (after the date to which the last audited accounts of the Minard Knitting Group are made up) at a price of £15,500 and improvements to the property are in progress at an estimated cost of £3,500.

The premises at Earl Shilton are currently in course of extension at an estimated cost of £17,500. Outline planning permission has been granted and a scheme prepared for extension of the premises at Mansfield Road, Sutton-in-Ashfield, at an estimated cost of £60,000, but Minard Knitting has agreed to take no step in regard thereto pending completion of the intended acquisition of the Minard Knitting Group, so that the matter may be reconsidered by the Company at the earliest practicable date.

Plant and Machinery

The plant is modern and well maintained and the Directors are satisfied that the value thereof shown in the Accountants' Report on the Minard Knitting Group is not in excess of current market value on a going concern basis.

Principal Activities

The principal activities are now organised as follows:—

Sutton-in-Ashfield
Production of ladies' and children's tights and stockings, socks and briefs and also men's pants.

Earl Shilton
Production of ladies' and children's tights and stockings and also jersey fabric.

Kendal
Production of men's half hose, ladies' and children's heavy weight tights and socks.

Syston
Dyeing and finishing.

Management

Mr. Ronald A. Palfreyman, aged 50, (first appointed a director of Tudsbury in 1962), the Chairman, has been associated with the hosiery industry for some 16 years. Although non-executive, he advises the board of Minard Knitting on policy and is also concerned in supply and customers relations. He is entitled only to such fees as may be voted to him.

Mr. Frederick E. Winfield, aged 55, (who was appointed a director of Tudsbury on 3rd October, 1970), the Managing Director of the Minard Knitting Group, has spent the whole of his working life in the hosiery industry and has been responsible for the policy of integration which has been carried out within the companies of the Minard Knitting Group. The conditional Contract provides for him to enter in to a Service Agreement with Minard Knitting at completion and for him to manage other subsidiaries of the Company. His salary will be £7,500 per annum and he will be entitled to a commission of 2 per cent. on the profits of the Minard Knitting Group, the Scholarsville Group and Deacon in excess of an aggregate of £350,000 per annum.

Mr. Francis Gerard Mulryan, aged 53 years (first appointed to the board of a company of the Minard Knitting Group on 31st March, 1970) has agreed to continue as a director of Minard Knitting (in addition to his appointment to the board of the Company) to ensure the smooth transfer of control and to provide the benefit of his experience. He will be entitled only to fees as a director of the Company.

Mr. R. W. Chambers, an Executive of Bank Bridge, is presently a director of Minard Knitting and all its subsidiaries. He will resign at completion and will be replaced by one or more representatives of the Company.

The subsidiaries of Minard Knitting are managed by directors who constitute a strong production, sales and management team. The following are the particulars of service agreements of directors of the companies of the Minard Knitting Group:—

Employing Company	Director	Date of Agreement	Term	Salary p.a.	Commission
A. G. Minard	E. A. Minard	16.4.1971	5 years from 20.4.1971	£5,000	2 per cent. of net profits of A. G. Minard
do	J. L. Minard	16.4.1971	do	£5,000	2 per cent. of net profits of A. G. Minard
do	A. A. Minard	16.4.1971	do	£5,000 plus inc. £500 p.a. each year from 1.4.1972	Nil
do	D. J. Minard	16.4.1971	do	£5,000 plus inc. £500 p.a. each year from 1.4.1972	Nil
do	J. R. P. Potterton	16.4.1971	do	£3,500	Nil
Thomson	A. R. Collison	29.3.1972	7 years from 1.4.1972	£4,000	2.5 per cent. of net profits of Thomson over £9,000 p.a.
do	J. A. Oates	29.3.1972	do	£3,000	2.5 per cent. of net profits of Thomson over £9,000 p.a.

As at 2nd August, 1973 the Minard Group employed a total of 640 persons (261 male and 379 female). Relations with employees at each of the places of business of the Minard Group are good.

DAVID DIXON & SON LIMITED

(continued)

Profit and Loss

It is the opinion of Mr. Winfield that the trading losses of Tudsbury and its subsidiary Wembley in the years ended 31st March, 1969 and 1970 arose from lack of sales outlets coupled with general inefficiency in production, and that the losses which would otherwise have occurred in the year ended 31st March, 1971 were reduced following his appointment as managing director. The profit in the year ended 31st March, 1972 reflects the steps taken by Mr. Winfield. The diminution in profits in the year ended 31st March, 1973 is attributed to disruption occasioned by a necessary change in packaging and delays outside the control of the board of Minard Knitting.

ACCOUNTANTS' REPORT ON MINARD KNITTING GROUP

The following is a copy of a report dated 24th August, 1973 received from Coopers & Lybrand, the auditors of Minard Knitting Limited and T. E. Holbrook, the joint auditor of Tudsbury Limited and Wembley Hosiery Mfg. Company Limited:—

The Directors,
David Dixon & Son Limited.

Gentlemen,

We have examined the audited accounts of Minard Knitting Limited ("the company") and of its present subsidiary companies (collectively referred to as "the group") for the periods relevant to this report.

Constitution of the group

2. The company was incorporated on 13th April, 1971 and subsequently acquired interests in the following companies:—

	Interest in equity capital acquired
A. G. Minard & Sons Limited ("Minard"), which has a wholly owned subsidiary, T. L. Perkins Limited ...	90 per cent. on 16th April, 1971
E. W. Thomson & Sons Limited ("Thomsons")	100 per cent. on 29th March, 1973
Tudsbury Limited ("Tudsbury"), which has a wholly owned subsidiary, Wembley Hosiery Mfg. Company Limited ("Wembley")	92.5 per cent. on 16th May, 1972
Clarke & Orton Limited ("C. & O.")	100 per cent. on 24th August, 1972

3. The following companies were incorporated as wholly owned subsidiaries and acquired existing trades as follows:—

Martins (Syston) Limited ("Martins")	Incorporated on 23rd December, 1971 and on 31st December, 1971 acquired, for a cash consideration of £263,500, the goodwill, premises, plant and continuing trade of dyeworks.
Correnfell Limited ("Correnfell")	Incorporated on 12th December, 1972 and acquired the plant and trading assets of two garment manufacturers for an aggregate cash consideration of £5,580.

4. The purchase consideration for the interests in the subsidiaries set out in paragraph 2 above and for the trading assets referred to in paragraph 3 above was discharged as follows:—

(a) Muring Securities Limited ("Muring"), a wholly owned subsidiary of Bank Bridge Securities Limited ("Bank Bridge") provided the company with interest free loans to finance in part the acquisition of the 90 per cent. interest in Minard (the balance of the consideration being deferred (see paragraph 5 (b) below)), the purchase of the trading assets of Martins and part of the consideration for the 92.5 per cent. interest in Tudsbury.

(b) Loans from merchant bankers were obtained by the company to finance the acquisition of Thomsons and the balance of the consideration for the 92.5 per cent. interest in Tudsbury. Interest on these loans has been borne by Muring.

(c) The finance for the acquisition of C. & O. and for the trading assets acquired by Correnfell was provided out of group resources.

5. Under the terms of an agreement dated 2nd August, 1973, which is conditional upon the shareholders of David Dixon & Son Limited ("Dixon") approving the acquisition of the company and upon the grant by the Council of The Stock Exchange of listing for the ordinary shares of Dixon to be issued in consideration for the acquisition of the whole of the share capital of the company:—

(a) Muring will procure, at no cost to the company or Dixon, the acquisition of the equity share capital of Minard and Tudsbury not already owned by the company.

(b) Dixon will discharge by the payment of £220,000 the liability for deferred purchase consideration due to the vendors of Minard.

6. The results of the subsidiaries have been dealt with, after appropriate adjustments, in the statement of turnover and results set out in paragraph 9 as follows:—

(a) Minard, Thomsons and Tudsbury have been included for the whole of the period under review. In view of the agreements referred to in paragraph 5 no deduction has been made for results attributable to the minority interests in Minard and Tudsbury.

(b) Martins and Correnfell have been included from the date of incorporation. In the case of Martins the loss before taxation for the three months ended 31st March, 1972 amounted to £300 and the profit before taxation for the year ended 31st March, 1973 to £19,000. The loss of Correnfell for the period ended 31st March, 1973 was £6,000.

(c) C. & O. has been included since the date of acquisition.

7. Coopers & Lybrand have been auditors of the company, Martins and Correnfell since incorporation and of C. & O. since acquisition. T. E. Holbrook was appointed auditor of Tudsbury and Wembley with effect from the year ended 31st May, 1970 and has been the joint auditor, with Coopers & Lybrand, of Tudsbury and Wembley with effect from the accounting period ended 31st March, 1972. Coopers & Lybrand were appointed joint auditors of Thomsons with effect from the year ended 31st March, 1973. Bolton, Bullivant and Co., Chartered Accountants, have been auditors of Minard for the whole of the period under review. Audited accounts of the group have not been made up for any period since 31st March, 1973.

Accounting policies

8. The principal accounting policies adopted in arriving at the financial information set out in this report are as follows:—

(a) Turnover represents the net invoiced value of goods sold to third parties.

(b) Depreciation of fixed assets (other than freehold properties—see (c) below) has been calculated to write off the cost of the assets, after taking account of investment grants receivable, over their estimated useful lives at the following annual rates applied to cost:—

	Between
Plant and machinery	15 per cent. and 20 per cent.
Fixtures and fittings	10 per cent. and 15 per cent.
Motor vehicles	20 per cent. and 25 per cent.

(c) No depreciation has been charged on freehold properties in the accounts of group companies. For the purposes of this report depreciation has been calculated at a rate of 2 per cent. per annum based upon the valuations referred to in paragraph 16. The group profit before taxation set out in paragraph 9 is stated after deducting a charge for depreciation on this basis which in the year ended 31st March, 1973 amounted to £12,000. In paragraph 13, accumulated depreciation of £5,000 has been deducted from the valuation, being depreciation calculated on the above basis for the period subsequent to the date of the valuation.

(d) Stock and work in progress have been valued at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and factory overheads.

(e) Provision has been made for deferred taxation at the tax rate ruling at the balance sheet date (which at 31st March, 1973 was 40 per cent.) on:—

(i) the excess of the book value of fixed assets eligible for capital allowances over their written down value for taxation purposes after deducting unabsorbed taxation losses.

(ii) the estimated chargeable gain amounting to £150,000 which would arise if the group's freehold properties, which have been revalued (paragraph 16), were sold for the revised book values.

Turnover and results

9. The turnover and results of the group for the five years ended 31st March, 1973, set out below, have been arrived at after making such adjustments to the audited accounts as in our opinion are appropriate, including apportionments on a time basis to bring the year ends of certain subsidiaries into line with the company's year end. The results are subject to the reservation in paragraph 10.

Year ended 31st March	1969 £'000s	1970 £'000s	1971 £'000s	1972 £'000s	1973 £'000s
Turnover	3,404	2,834	2,936	2,981	3,570
Cost of sales	3,293	2,773	2,807	2,608	3,279
Including:					
Depreciation	70	80	87	96	128
Bank interest	18	20	24	17	36
Other interest	12	10	8	8	12
Group profit before taxation	111	51	129	373	291
Taxation: United Kingdom corporation tax including transfers to deferred taxation	68	72	81	145	79
Group profit/(loss) after taxation	43	(21)	48	228	212
Dividends:					
Paid by the company				81	100
Paid by subsidiary companies before acquisition by the company and to minority shareholders	10	10	21	11	8
	10	10	21	92	108
Retained profit (loss)	33	(31)	27	136	104

10. Complete stock records of Tudsbury and Wembley were not available to us in respect of the accounting dates up to and including 31st May, 1969. Consequently, we have been unable to satisfy ourselves that, for the purpose of arriving at the group results for relevant accounting periods up to and including 31st March, 1970, stocks of Tudsbury and Wembley, were properly taken and brought into account on consistent bases and that the allocation of the results between the accounting periods is fairly shown. However J. E. Holland, chartered accountant, the auditor of Tudsbury for relevant accounting periods ended 31st May, 1969 has confirmed to us in writing that complete stock and accounting records were available to him at the time of his audits for the relevant periods and that stocks were properly ascertained and brought into account in accordance with generally accepted principles which were applied consistently. The losses of Tudsbury and Wembley apportioned on a time basis deducted from group profit before taxation in paragraph 9, for the two years ended 31st March, 1970 amounted to £23,000 and £104,000 respectively. In respect of periods subsequent to 31st May, 1969 complete stock records were available to T. E. Holbrook as at 31st May, 1970 in the course of his audit for the period ended on that date although they were not available to Coopers & Lybrand who were not then the auditors of Tudsbury and Wembley, and complete stock records were available to both firms as at the last three accounting dates up to and including 31st March, 1973 as shown in paragraph 9 above.

11. The charge for corporation tax for the three years ended 31st March, 1971 is high in relation to the group profit for those years because losses incurred by Tudsbury were not available for group relief. The taxation charge for the year ended 31st March, 1973 is stated after taking the benefit of £50,000 being the utilisation of prior year taxation losses at a rate of 40 per cent. against the profit of Tudsbury for that year.

12. The aggregate emoluments of the directors of the company for the year ended 31st March, 1973 amounted to £16,331. Under arrangements effective from the acquisition of the company by Dixon, the directors' emoluments would have amounted to £7,741.

Balance Sheet

13. We set out below a summary of the balance sheet of the company and the consolidated balance sheet of the group at 31st March, 1973 based on the audited accounts at that date, after making such adjustments as in our opinion are appropriate and after taking account of the issue of ordinary shares referred to in paragraph 15.

	THE COMPANY £'000	£'000	THE GROUP £'000	£'000
FIXED ASSETS				
Freehold properties at valuation (paragraph 16)		—	615	
Less: Accumulated depreciation		—	5	
				610
Plant, machinery, fixtures and fittings at cost	2		1,004	
Less: Accumulated depreciation	—		579	
		2		425
Motor vehicles at cost	4		62	
Less: Accumulated depreciation	1		21	
		3		41
		5		1,076
Less: Future instalments under hire purchase agreements		1		52
		4		1,024
SUBSIDIARY COMPANIES				
Shares at cost less amounts written off	856		—	
Amounts due from subsidiary companies	340		—	
	1,196			
Less: Amounts due to subsidiary companies	64		—	
		1,132		—
CURRENT ASSETS				
Stock and work in progress	—		737	
Debtors and prepayments	7		388	
Dividends receivable from subsidiaries	124		—	
Cash and bank balances	1		60	
Proceeds from issue of shares (paragraph 15 (b))	330		320	
	452		1,525	
Less: **CURRENT LIABILITIES**				
Creditors and accrued liabilities	6		517	
Bank overdrafts (paragraph 17)	—		324	
Loan from merchant bankers (paragraph 15 (b))	320		320	
Current taxation	23		85	
Loan from Muring since repaid in cash	50		50	
Interim dividend since paid	100		100	
	499		1,396	
NET CURRENT ASSETS/(LIABILITIES)		(47)		129
		1,089		1,153
DEFERRED LIABILITIES				
Secured loans (paragraph 18)	—		24	
Corporation tax payable on or after 1st January, 1974	—		56	
Deferred taxation	1		151	
		1		231
NET TANGIBLE ASSETS		1,088		922
Representing:				
ISSUED SHARE CAPITAL at 31st March, 1973		1		1
Proceeds from issue of shares to Muring on 31st July, 1973 (paragraph 15)		1,067		1,067
		1,068		1,068
RESERVES:				
Non-distributable	—		80	
Distributable	20		187	
		20		267
		1,088		1,335
Less: GOODWILL ON CONSOLIDATION		—		413
		1,088		922

14. No provision has been made in the above balance sheets for:—

(a) the cost of the acquisition of minority interests of Minard and Tudsbury, payment of which will be procured by Muring at no cost to the company or Dixon (paragraph 5 (a));

(b) the liability for deferred consideration due to the vendors of Minard, which is to be discharged by Dixon (paragraph 5 (b)).

15. On 31st July, 1973 Muring subscribed for ordinary shares of £1 each, fully paid, in the company as follows:—

(a) The allotment of 77 shares for a consideration of £747,951 in satisfaction of interest free loans from Muring of that amount, referred to in paragraph 4 (a).

(b) The allotment of 23 shares for a cash consideration of £320,000 upon the agreements referred to in paragraph 5 becoming unconditional. The proceeds will be applied to the discharge of the loans from merchant bankers referred to in paragraph 4 (b).

16. The freehold properties of the group are included at the valuation of Ramos, March & Co., chartered surveyors, dated 27th October, 1972. These valuations were on the basis of present use as hosiery factories.

17. Bank overdrafts are secured by charges on the freehold properties of Thomsons, Tudsbury, C. & O. and Martins and floating charges on the assets of Thomsons, Tudsbury and C. & O.

18. Loans amounting to £24,350 are secured by mortgages on freehold properties. These loans are repayable in equal instalments and bear interest on the balance of principal outstanding as follows:—

Loan principal outstanding at 31st March, 1973 £	Rate of interest %	Final instalment payable
3,850	7½	1975
5,500	7½	1976
15,000	7½	1980

19. Capital expenditure for the group approved by the directors at 31st March, 1973 amounted to £54,000 in respect of which orders had been placed for £23,000.

Yours truly
COOPERS & LYBRAND,
Chartered Accountants.
T. E. HOLBROOK,
Certified Accountant.

SCHOLARSVILLE GROUP

History and business

Scholarsville was incorporated in England as a holding company on 12th August, 1964 and now has an authorised capital of £300 divided into 100 Ordinary shares of £1 each and 200 Deferred shares of £1 each, all of which have been issued and are fully paid. Scholarsville acquired on 30th September, 1964 the entire share capital of:—

(a) S. Mayers Limited ("Mayers") of Euston Mills, Leek, Staffordshire (founded in 1920);

(b) Wm. Clowes & Co. (Knitwear) Limited ("Clowes") which also carries on business at Euston Mills (founded in 1954);

(c) Manifold Dyers Limited ("Manifold") of Cauldron Mill, Waterhouses, Leek, Staffordshire (founded in 1934);

and the entire share capital of Scholarsville was acquired by Muring on 31st March, 1970. The dates of incorporation and authorised and issued share capitals of the subsidiaries of the Scholarsville Group (all of which are incorporated in England and are wholly-owned) are:—

Name	Date of Incorporation	Authorised Capital £	Issued Share Capital £
Mayers	18th February, 1920	60,000	60,000
Clowes	26th February, 1954	5,000	4,500
Manifold	10th August, 1934	2,800	747

The companies of the Scholarsville Group mainly carry out warp and circular or weft knitting of cotton, and synthetic fibres and the subsequent dyeing and making up of a part of the total knitted output. Most of the raw material is bought ready wound. In addition Manifold dyes most of the knitted material which is subsequently made up by that company. In the year ended 31st March, 1973 58 per cent. of the turnover was accounted for by circular knitting, while warp knitting constituted 11 per cent. of turnover. The only customer of Manifold is Mayers. Both Mayers and Clowes have a wide range of customers, who include the companies of the Minard Knitting Group. In the years ended 31st March, 1971, 1972 and 1973 no supplier or customer accounted for 10 per cent. or more of the Group supplies or sales except in the year ended 31st March, 1973 Kleinworts Inc. of Perth accounted for 11.32 per cent. of Group sales.

Premises

The premises of the Scholarsville Group are as follows:—

Location	Tenure	Use	Area in sq. ft.	Total site area in sq. yds.
Euston Mills (including 48/60 even numbers Wellington St.), Leek, Staffordshire	Freehold	Factory warehouse and Offices	19,660	2,937
Cauldron Mill, Waterhouses, Leek, Staffordshire	Freehold	Factory warehouse and Offices	6,240	693
Sandy Mount, 13 Sneyd Avenue, Leek, Staffordshire	Freehold	Dwellinghouse	—	

It is not feasible in relation to Euston and Cauldron Mills effectually to separate office from factory and warehouse areas. These properties were last valued in 1964 and the Directors are satisfied that their present value is at least equivalent to the book value shown in the Accountants' Report on the Scholarsville Group.

Plant

The plant is well maintained and the Company is satisfied that the value thereof shown in the Accountants' Report is not in excess of current market value on a going concern basis.

Management

The board of Scholarsville presently consists of representatives of Muring and as from completion it is intended that Scholarsville shall become a subsidiary of Minard Knitting and shall have the same board. The subsidiaries of Scholarsville are managed by Mr. Roger Knight, aged 40 years, works manager and Mr. Ernest Mart, aged 33 years, financial director. The Scholarsville Group has 65 employees (31 male and 34 female) and many of them have been with the companies for long periods. Relations with the staff are good. The following are the particulars of service agreements of directors of the companies of the Scholarsville Group:—

Employing Company	Director	Date of Agreement	Term	Salary p.a.	Commission
Mayers	R. M. Knight	8.6.1970	7 yrs. from 1.4.70	£2,375	7.5% of net profits of Mayers in excess of £7,500 p.a.
do	E. J. Mart	do	do	£1,865	5% of such profits

ACCOUNTANTS' REPORT ON SCHOLARSVILLE GROUP

The following is a copy of a report dated 24th August, 1973 received from Dearden, Lord, Annan, Morrish, Reporting Accountants and Auditors of the Scholarsville Group:—

The Directors,
David Dixon & Son Limited.

Gentlemen,

1. INTRODUCTION

We have examined the audited accounts of Scholarsville Limited ("the Company") and its three wholly-owned subsidiaries for the periods relevant to this report. We have been auditors of the Company and its subsidiaries since 4th May, 1970 and refer to them as "the Group."

We report as follows:—

2. ACCOUNTING POLICIES

The principal accounting policies which have been adopted in arriving at the financial information set out in this report are as follows:—

(a) Turnover

Turnover is stated at the net sales to external customers after deducting trade discounts, returns and allowances.

(b) Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value; cost includes direct materials and where appropriate direct labour and a proportion of overhead expenses. Internal profits arising on transfer of stocks within the group are eliminated on consolidation.

(c) Fixed assets and depreciation

Freehold land and buildings are shown at a professional valuation made in 1964 with subsequent additions at cost. Both the land and the buildings are depreciated by equal annual instalments over 50 years from 1964. All other fixed assets are shown at cost less investment grants received and are written off on the reducing balance basis at the following rates per annum:—

Making-up machinery	12½%
Other plant and machinery	15%
Fixtures and fittings	10%
Motor vehicles	25%

(d) Deferred taxation account

A deferred taxation account is maintained at corporation tax rates current at the end of each financial period on the excess of the aggregate book values of fixed assets over their corresponding tax written down values and at 31st March, 1973 the account also reflected anticipated relief from corporation tax attributable to the appropriate proportion of dividends provided in the accounts at that date and paid during the following financial year.

3. TURNOVER AND PROFITS

The following are the turnover and profits for the periods stated based on the audited consolidated accounts of the Group after making such adjustments as we consider appropriate:—

	Year ended 31st December, 1968 £	15 months ended 31st March, 1970 £	Years ended 31st March, 1971 £	1972 £	1973 £
Turnover	306,192	324,614	275,718	338,999	366,314
Deduct: Cost of sales	281,301	299,368	252,592	314,985	343,183
including					
Depreciation	6,196	7,028	5,127	4,451	4,176
Interest paid less received	1,379	680	1,137	1,481	733
Management charges	4,928	6,150	1,850	1,800	1,800
Profit before taxation	24,891	25,246	23,126	24,014	23,131
Taxation	11,402	10,896	9,839	10,246	7,091
Profit after taxation	13,489	14,350	13,287	13,768	16,040
Dividends	—	—	10,000	10,000	10,000
Retained profits	£13,489	£14,350	£3,287	£3,768	£6,040

Notes:—

(a) On 31st July, 1973 amounts owing to less amounts owing by holding and fellow subsidiaries were capitalised and the profits shown include adjustment to eliminate interest relating to these loans.

(b) Taxation represents corporation tax on the profits for the period including transfers to deferred taxation account. The charge for the year ended 31st March, 1973 was reduced by notional advance corporation tax amounting to £2,959.

(c) The dividends throughout the period were at a rate of 10,000 per cent. on the issued ordinary share capital of the Company.

(d) The directors of the Company receive no emoluments. The emoluments of the directors of the subsidiaries for the year ended 31st March, 1973 amounted to £9,705. Under arrangements now in force, their emoluments would have amounted to £7,256.

4. SUMMARY OF CONSOLIDATED BALANCE SHEETS

The balance sheets of the Group at the dates stated, based on the audited consolidated accounts and after making such adjustments as we consider appropriate are summarised as follows:—

	31st December 1967 £	1968 £	31st March 1970 £	1971 £	1972 £
Fixed Assets					
Freehold land and buildings	21,505	21,045	20,470	20,010	19,550
Plant, equipment and vehicles	33,740	31,394	27,236	24,689	21,506
	55,245	52,439	47,706	44,699	41,056
Current Assets					
Stocks	43,967	44,781	66,010	65,158	72,144
Debtors	35,126	31,779	55,472	69,983	66,323
Bank and cash balances	2,064	4,261	1,337	1,001	3,389
	81,157	80,821	122,819	136,139	141,856
Current Liabilities					
Creditors	10,798	15,731	23,018	29,473	23,117
Current taxation	8,230	7,953	116	2,418	9,776
Bank overdraft	25,036	—	23,809	23,110	18,744
Dividend proposed	—	—	—	10,000	10,000
	44,064	23,684	46,945	65,001	61,637
Net Current Assets	37,093	57,137	75,874	71,138	80,219
	92,338	109,576	123,580	115,837	121,275
Less:					
Deferred taxation	11,248	14,754	14,608	12,878	13,348
Amounts owing to less amounts owing by holding and fellow subsidiary companies	32,075	32,318	32,220	22,220	22,220
	£49,015	£62,504	£76,852	£80,739	£85,707
Represented by:					
Share Capital	2	2	100	100	100
Reserves	49,013	62,502	76,752	80,639	85,607
	£49,015	£62,504	£76,852	£80,739	£85,707

5. BALANCE SHEETS AT 31st MARCH, 1973

The balance sheets of the Company and the Group at 31st March, 1973 based on the audited accounts and after making such adjustments as we consider appropriate were as follows:—

THE COMPANY £	£		THE GROUP Cost or valuation £	Depreciation £	£
		FIXED ASSETS			
		Freehold land and buildings at valuation	23,000	3,910	19,090
		Freehold land and buildings at cost	218	—	218
		Plant, machinery and equipment	127,611	110,855	16,756
		Motor vehicles	4,747	2,219	2,528
			155,576	116,984	38,592
		SUBSIDIARY COMPANIES			
70,120		Shares at cost			
37,762		Less amount owing to subsidiaries			
	32,358				
		CURRENT ASSETS			
		Stocks		67,240	
		Debtors		76,275	
		Bank and cash balances		43	
				143,558	
		CURRENT LIABILITIES			
		Creditors		31,458	
		Current taxation		10,198	
		Bank overdraft		5,891	
10,000		Dividends (since paid)		10,000	
10,000				56,742	
	(10,000)	NET CURRENT ASSETS			86,816
	22,358				125,408
		Less: DEFERRED TAXATION			
		Corporation tax due on 1st April, 1974		10,400	
		Deferred taxation account		(159)	
					10,241
	£22,358				£115,167
		Represented by: SHARE CAPITAL			
	100	100 Ordinary Shares of £1 each			100
	200	200 Deferred Shares of £1 each			200
	300				300
	22,020	SHARE PREMIUM ACCOUNT			22,020
	38	DISTRIBUTABLE RESERVES			92,847
	£22,358				£115,167

Notes:—

(a) Capital expenditure for the Group authorised by the Directors and contracted for at 31st March, 197[illegible] amounted to £15,806.

(b) On 31st July, 1973 the authorised share capital of the Company was increased to £300 and Muring Securities Limited subscribed for 100 Ordinary Shares of £1 each, fully paid, at a premium of £22,[illegible] in satisfaction of loans due to it of £22,220, referred to in section 3 note (a). On 2nd August, 197[illegible] the 200 Ordinary Shares of £1 each fully paid previously in issue were converted into 200 Deferred Shares of £1 each fully paid and Muring Securities Limited were allotted 100 Ordinary Shares of £1 each at par credited as fully paid by way of capitalisation of reserves.

6. ACCOUNTS

No accounts of the Group have been made up in respect of any period subsequent to 31st March, 197[illegible]

Yours faithfully,
DEARDEN, LORD, ANNAN, MORRISH
Chartered Accountants.

CONDITIONAL CONTRACT

The Conditional Contract is dated 2nd August, 1973 and made between Muring (1), Bank Bridge (2), Minard Knitting (3), Scholarsville (4) and the Company (5) and is now conditional only upon the grant by the Council of The Stock Exchange, on or before 31st October, 1973, of re-listing of the share capital of the Company in issue at the date of the Conditional Contract and the listing of the Ordinary shares of the Company to be issued pursuant to the Conditional Contract.

Subject to the Conditional Contract becoming unconditional, the entire share capital of Minard Knitting and Scholarsville is to be sold to the Company with effect from the close of business on 31st March, 197[illegible] at a price of £1,630,000, to be satisfied as to £730,000 in cash at completion and as to £900,000 by the issue (credited as fully paid) to Muring or its nominees of 800,000 Ordinary shares of 25p each of the Company ranking pari passu with the existing Ordinary shares of the Company. In addition the Company is to pay or procure payment of the sum of £220,000 referred to above under "Brief description of transaction."

The Conditional Contract also provides:—

1. If the profits (before tax) of Minard Knitting and Scholarsville (as defined) for the period of one year ending the 31st March, 1974 exceed £320,000, there shall become due to Muring by way of additional consideration the sum of £2,538 for each £1 of such excess subject to a limit of £130,000.

2. If such profits be less than £320,000, Muring shall repay to the Company £5 for every £1 of such shortfall.

3. The additional consideration is payable in cash within one month of agreement or certification by the auditors of such net profits, but Muring has the right up to 14 days before the day of agreement or certification of such net profit to elect to take payment thereof by the allotment to Muring or its nominees of Ordinary shares of the Company (in which event the Company is to use its best endeavours to procure the listing of such shares on The Stock Exchange) the price at which such shares are to be allotted to be the median of the highest and lowest dealings during the ten dealing days preceding 31st March, 197[illegible] The Ordinary shares to be so issued for the additional consideration will rank pari passu with the existing Ordinary shares of the Company save that they will not participate in any interim dividend payable in respect of the Company's current financial year.

4. Completion is to be at such place in London on such date (not being later than 31st October, 1973) as may be appointed by the Company or at such other place and on such earlier date as may be agreed.

5. Muring will not dispose of 295,834 of the Ordinary shares of the Company to be issued by way of consideration for 18 months from completion except after consultation with the Company's brokers and after affording to them the opportunity for 48 hours of disposing of the same at the median of the highest and lowest dealings on the ten dealing days preceding the date on which the shares are so offered.

6. For Muring to procure that at completion Mr. F. E. Winfield shall enter into a Service Agreement with Minard Knitting in the form attached to the Conditional Contract, such form of service agreement providing for Mr. Winfield to serve for a period of five years as Managing Director at a salary of £7,50[illegible] per annum plus a commission of 2 per cent. of the profits of the Minard Knitting and Scholarsville Groups and Deacon in excess of an aggregate of £350,000 per annum.

7. That for two years from completion Bank Bridge and its subsidiaries will not carry on or be concerned in the businesses of the Minard Knitting and Scholarsville Groups, otherwise than as shareholders of the Company.

8. For the usual indemnities in respect of estate duty and taxation.

9. Detailed warranties concerning the companies of the Minard Knitting and Scholarsville Groups including warranties as to the absence of litigation or claims of material importance.

10. That Bank Bridge guarantees the obligations of Muring.

RIGHTS ISSUE

Application is intended to be made as soon as possible by the Company to the Council of The Stock Exchange for the re-listing of the shares of the Company in issue at the date of suspension of listing and for listing of the Ordinary shares to be issued to Muring pursuant to the Conditional Contract and of 788,888 Ordinary shares to be issued by way of rights. It is the intention of the Company forthwith upon such listing being granted, to offer such 788,888 Ordinary shares to Ordinary shareholders by way of rights, in the proportion of six new shares for every five Ordinary shares held at the close of business on 31st August, 1973, the intended issue price being £1.10 per share. The Rights issue has been fully underwritten (Contract (3) below) and the proceeds (namely £868,000 less expenses—see below) will be utilised for the purpose of satisfying temporary borrowings which have been arranged in relation to the part of the consideration payable in cash in respect of the acquisition of the Minard Knitting and Scholarsville Groups. The Ordinary shares to be issued by way of rights will rank pari passu in all respects with the Ordinary shares of the Company then in issue, except that they will not rank for any interim dividend payable in respect of the Company's financial year ending 31st March, 1974. It is intended that a copy of this document along with a Provisional Allotment Letter (containing full details of the Rights Issue and all necessary instructions) shall be despatched to all Ordinary shareholders.

WORKING CAPITAL

On the basis that the Company will duly receive the subscription moneys amounting to £868,000 (less the expenses referred to below) arising from the underwritten Rights Issue and having regard to the bank facilities which have been arranged by the Directors, the Board of the Company is of the opinion that the Company will, following payment of the portion of the consideration to be paid in cash pursuant to the Conditional Contract for the acquisition of Minard Knitting and Scholarsville Groups, have sufficient working capital for its present requirements, including the requirements of those Groups and those of Deacon.

PROSPECTS AND PROFITS OF THE ENLARGED GROUP

The Directors look to the future with confidence but, since they are not yet in control of the Minard Knitting and Scholarsville Groups, they do not feel it prudent to forecast the profits of the enlarged Group in respect of the current financial period, which it is intended shall terminate at 31st March, 1974 in respect of (i) the Company and its present subsidiaries including Deacon and (ii) the companies of the Minard Knitting and Scholarsville Groups. They draw attention to the warranty in the Conditional Contract as to profits of the Minard Knitting and Scholarsville Groups for the year ending 31st March, 1974 and the provision for the payment of additional purchase consideration if such profits in that year exceed £320,000.

In addition, the Company's premises at Cardigan Mills, Leeds, were damaged by fire on 13th/14th August, 1973 while the premises were closed for the annual holiday. The raw material store and warping department were destroyed. Temporary premises have been secured as a raw materials store and plans for the rebuilding have already been prepared. Insurance cover in respect of the property damage and business interruption exists which the Directors consider to be adequate, and no reason is known to the Directors why the Company's losses should not be recovered. Nevertheless, the Directors are of the opinion that the fire will inevitably lead to some disruption to production and sales. Up to the time of the fire, production and sales for the current financial period ending 31st March, 1974 had been running at a rate at least consistent with the preceding year, and the Directors had confidently hoped for an increased profit in the current year.

At Deacon production and sales are proceeding to date at a higher rate than in the preceding year and it is the opinion of the Directors, that, in respect of the accounting period 1st November, 1972 to 31st March, 1974, Deacon will, in the absence of unforeseen circumstances achieve a profitability in excess of its rate of profit for its accounting year ended the 31st October, 1972.

In the circumstances, and having regard to the views of the Directors of Minard Knitting and Scholarsville set out above, the Directors of the Company consider that, in the absence of unforeseen circumstances, the Group profits for the year ending 31st March, 1974 will prove satisfactory, but they do not make any profit forecast. At the present time they know of no special trade factors or risks which could materially affect profitability and which are not set out in this document.

PRO FORMA CONSOLIDATION OF NET TANGIBLE ASSETS

The following is a pro forma consolidation of the net tangible assets of the Company and its subsidiaries, attributable to the Ordinary shareholders of the Company based upon:—

(a) The audited accounts of the Company and its then subsidiaries ("the Leeds Group") as at 7th April, 1973 after providing for deferred taxation at 40 per cent. on the excess of the book value of fixed assets eligible for capital allowances over their written down value for taxation purposes;

(b) The audited accounts of Deacon as at 12th May, 1973; and

(c) The audited accounts of the Minard Knitting and Scholarsville Groups as at 31st March, 1973.

on the footing that:—

(i) The Conditional Contract becomes unconditional and the purchase of the Minard Knitting and Scholarsville Groups is duly completed; and

(ii) The amount receivable by the Company under the proposed Rights Issue (which has been underwritten—See Contract 3 below) is duly received.

	Leeds Group and Deacon £'000s	Minard Knitting Group £'000s	Scholarsville Group £'000s	Total £'000s
FIXED ASSETS				
Freehold land and buildings	91	610	19	72[illegible]
Plant and other equipment	217	414	19	[illegible]
	308	1,024	38	1,3[illegible]
CURRENT ASSETS				
Stocks and work in progress	319	737	67	1,1[illegible]
Debtors and prepayments	190	333	76	[illegible]
Cash and bank balances	403	60	1	46[illegible]
	912	1,205	144	2,2[illegible]
Deduct: **CURRENT LIABILITIES**				
Creditors and accrued liabilities	181	567	32	[illegible]
Bank overdrafts	187	324	5	[illegible]
Dividends payable and since paid	24	100	10	1[illegible]
Current taxation	—	85	10	[illegible]
	392	1,076	57	1,5[illegible]
Net Current Assets	520	129	87	73[illegible]
DEFERRED LIABILITIES				
Secured loans	—	24	—	[illegible]
Future taxation	29	56	10	[illegible]
Deferred taxation	53	151	—	[illegible]
	82	231	10	32[illegible]
NET ASSETS	746	922	115	1,78[illegible]
Deduct:				
Minority interest in subsidiary	156			
Preference capital in issue	55			
				21[illegible]
				1,57[illegible]
Add: Proceeds of intended Rights Issue				86[illegible]
				2,44[illegible]
Deduct:				
Purchase consideration for Deacon and expenses	258			
Cash portion of consideration for Minard Knitting and Scholarsville Groups	950			
Expenses of that acquisition and Rights Issue (Estimated)	50			
				1,25[illegible]
NET TANGIBLE ASSETS ATTRIBUTABLE TO ORDINARY SHAREHOLDERS				1,18[illegible]

Note:—The foregoing statement takes no account of any sum which may be payable in cash by way of additional consideration under the Conditional Contract or of any sum which may be payable to the Company pursuant to the warranties as to profits of the Minard Knitting and Scholarsville Group in respect of their accounting year ending the 31st March, 1974.

CHANGE OF NAME

On 27th July, 1973 a special resolution was passed to change the name of the Company to "David Dixon & Son Holdings Limited." It has been arranged with the Registrar of Companies that the change of name shall be certified and take effect on 1st October, 1973. No action by any shareholder is necessary in connection with the change of name, since share certificates and other documents issued by the Company under its present name will continue to be accepted for the registration of transfers and other transactions.

STATUTORY AND GENERAL INFORMATION

Articles of Association

The Articles of Association contain provisions (inter alia) to the following effect:—

Borrowing Powers

(a) Subject as hereinafter provided, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(b) The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary companies (if any) so as to secure (so far as respects subsidiaries, as by such exercise they can secure) that the aggregate amount for the time being remaining undischarged of all moneys borrowed by the Company and/or any of its subsidiaries (the Company and its subsidiaries being hereinafter in the Articles called "the Group") and for the time being owing to persons outside the Group shall not at any time without the previous sanction of an Ordinary Resolution of the Company exceed an amount equal to three times the share capital and consolidated reserves (as defined).

Concerning Directors

(a) A director is not required to hold any shares to qualify him for office.

(b) The statutory provisions as to age limit for Directors do not apply.

(c) The Ordinary remuneration of each of the Directors shall be at the rate of £1,000 per annum or such higher amount as shall from time to time be determined by Ordinary Resolution of the Company. The Directors may from time to time appoint one or more of themselves to be the holder of any executive office on such terms and for such period as they may determine. Any Director who holds any executive office (including the office of Chairman or Deputy Chairman (whether or not such office is held in an executive capacity) or who serves on any committee or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine. The Directors may repay to any Director all such reasonable expenses as he may incur in attending and returning from meetings of the Directors or of any committee of the Directors or General Meeting or otherwise in or about the business of the Company. The Directors shall have power to pay and agree to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director or ex-Director and for the purpose of providing any such pensions or other benefits to contribute to any scheme or fund or to pay premiums.

(d) A Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company and a Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting, but so that such restrictions shall not apply (i) if they be suspended or relaxed by the Company by Ordinary Resolution or (ii) to the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries, to the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security (iii) to any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof (iv) to any proposal concerning any other company in which he is interested if his interest in the company concerned (or any third company through which his interest is derived) does not amount to one per cent., or (v) to any superannuation or retirement benefits scheme approved or subject to approval by the Inland Revenue for taxation purposes.

(e) A Director may be counted in the quorum present at any meeting at which he or any other Director is appointed to any office or place.

(f) In relation to any appointment (including fixing or varying the terms of the appointment) a Director (unless disqualified by any such interest as is mentioned at (d) (iv) above) shall be entitled to vote and be counted in the quorum otherwise than in connection with his own appointment.

Rights and restrictions attaching to the share capital of the Company

Note: None of the Second Redeemable Preference shares is at present in issue and any issue thereof would require to be authorised by Special Resolution.

Dividend

The profits of the Company which it shall from time to time be determined to divide among the members in respect of any year or other period shall be applied in paying to the holders of the Preference shares a cumulative preferential dividend for such year or other period at the rate of 8 per cent. per annum on the amounts paid up on the said shares respectively and the balance (subject as stated below under

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stitute backs drive for rker-directors

TRAFFORD, MANAGEMENT EDITOR

SHOULD consider "some highly employee" as a tor, according to a delines for Directors, y the Institute of

et is a successor to oardroom Practice, stitute first published o. Like the earlier eks to offer guidance of all kinds of com- a the large to very it couches its advice language.

es Hardie, chairman mittee that drafted lication, said yester- e intention was to actical guidance to d not a code of con- code, he said, would it was backed up by by some other sanc- dismissal from a pro- dy.

with the earlier uidelines for Direc- s a number of new which have become n recent years. n-employee directors, ing, the warehousing of shares, take-over bids and the responsibility of directors to the community and the State are covered in greater or lesser detail.

Earlier this week, the Confederation of British Industry published the final report of its company affairs committee headed by Lord Watkinson.

The views expressed there broadly tally with those in the Institute of Directors' booklet although the CBI goes further in recommending that all companies over a certain size should set up "consultative machinery at plant level."

Insider dealing

The institute, like the CBI, is unenthusiastic about the possibility of introducing German-style two-tier Boards in this country. The booklet points out that there is nothing to stop a company adopting articles allowing the two-tier-structure, but "in practice the normal structure . . . has proved to work very well."

The booklet makes interesting distinction between "insider information" and "outsider information" when discussing the question normally referred to simply as "insider dealing."

"Insider information" is available to directors by the nature of their duties whereas "outsider information" only reaches the recipient—the institutions, stockbrokers, the Press and trade unions—when someone in the company transmits it. No advice is given on the vexed question of stopping the leakage of price-sensitive information.

Amplifying this point yesterday, Sir Charles Hardie said that at least three main problems arise.

For one thing, British companies are not controlled by financial institutions to the same extent as in Germany; secondly, it would be difficult to find enough supervisory directors of suitable quality; thirdly, a conflict would arise as to whether employees supervisory directors should be appointed by unions or by works councils.

Guidelines for Directors, Institute of Directors, 10, Belgrave Square, London, SW1X 8PW. 75p.

ncorde makers hope for ther firm orders next year

IAEL DONNE, AEROSPACE CORRESPONDENT

'S manufacturers are t the recent visit to and the U.S. will further firm orders at earlier date than expected — perhaps instead of in 1975.

recently as a month Aircraft Corporation patiale were not ex- rther firm orders to ll British Airways and had started passenger the summer of 1975." ust what Concorde

ight of the trip just however, they are nding to revise this feel confident that, ued Government sup- hard selling campaign, in orders next year. two airlines, Viasa of and Braniff of the made encouraging and other airlines in re less sceptical than

he result not only of quality of the Con- formances during the recent trial—not least its return flight from Washington to Paris non-stop in 3 hours 33 minutes—but also to the favourable reactions to it on noise and other environmental grounds.

Before the trip, some U.S. airlines made no secret of the fact that they expected Concorde to be criticised severely by environmentalists. In the event, it was well received wherever it went, with favourable comments on its noise and smoke levels.

The manufacturers' aim over the next few months will be to try to cash in on this favourable response, and an intensification of the sales campaign is certain. Further Concorde overseas trips are not ruled out, especially to the U.S., over the next few months.

Mr. Harding Lawrence, chairman of Braniff, caused surprise when he said his airline was waiting for the "B model" of Concorde before placing an order.

He was not referring to any second-generation Concorde—that will not be developed for some time to come—but to the possibility of getting a version of the existing aircraft with additional range, such as by fitting extra fuel tanks.

The manufacturers for some time have been studying ways of achieving this, without major changes to the basic design or adding too much to the cost of the aircraft.

They know that if they can provide several hundreds of miles additional range they could substantially widen the immediate market prospects. It is not only Braniff that has very long range requirements, for example non-stop from Los Angeles to Lima, but also Japan Air Lines, with its long Anchorage-Tokyo leg.

Improving existing range to meet these special requirements is easier said than done, however, since the existing design is "tight."

Enlarging the wings could give more space for fuel tanks, but would cost money. Additional fuel might also be stored at the rear of the fuselage.

The manufacturers are not anxious to become involved at this stage in extensive further modifications to the aircraft, on grounds of both cost and timescale. They do not want to delay the aircraft's introduction into service.

Furthermore, they argue the Washington-Paris performance this week demonstrates that for the vast majority of likely airline routes the existing design is suitable, and will be the one that British Airways and Air France will fly in 1975.

Any further improvements, such as increased range, must come later, with modified aircraft not likely to enter service before 1976-77.

pping talks under way

ES McDONALD, SHIPPING CORRESPONDENT

ANLEY ONSLOW, ary Under-Secretary for Aerospace and was acting as host and will be again a conference held in House, London, to and senior Government sponsible for shipping tries of the Consulta- ing Group. n informal association nents formed in the s to discuss matters of common interest in international shipping. The group consists of Belgium, Denmark, Finland, France, West Germany, Greece, Italy, Japan, the Netherlands, Norway, Spain, Sweden and the U.K. The last meeting was held in Tokyo in 1971.

The conference, being held in private, provides a further opportunity for an exchange of views of various aspects of international economic shipping policy.

Companies welcome steps on employee participation

BY LORNE BARLING

MORE THAN 60 per cent. of the top British companies in a recent survey have said they would like to see a major initiative to solve the problem of employee representation.

The survey was carried out by the Liberal Party industrial advisory panel. Its report on the "results," out yesterday, claims there was a general feeling that industrial relations in the country were unsatisfactory. Yet 68 per cent. of the companies replying were satisfied with them in their own companies.

"On the subject of works councils, we were surprised to find that 26.8 per cent. of companies already had them, 50.3 per cent. were in favour of establishing them and 37.4 per cent. against," the report stated.

"There is also a significant minority prepared to go further, on the question of supervisory Boards. More than 22 per cent. were in favour of the two-tier Board system."

Mr. John Pardoe, MP

Mr. John Pardoe, Liberal MP for North Cornwall and chairman of the Liberal Party's standing committee on policy, said he was surprised how many people were in favour of worker participation. It showed that party establishments, the Confederation of British Industries and the TUC were out of touch with the situation.

"They display an incredible conservatism to worker participation which is cutting them off from their supporters. The system must be changed because it is an unacceptable structure of capitalism," he said.

The survey was answered by 125 of the 900 major companies approached. A total of 63.9 per cent. of them wanted a major attempt to solve the problem rather than wait for EEC steps.

The companies also put bad management far higher than any other cause of bad industrial relations, and more than half wanted to see employee representation more directly accountable to employees.

"The overall message is perhaps that companies still have a long way to go in providing more facilities for consultation and there is a big gap between the level of co-determination the German's require and what our sample practices at present," the report adds.

Fight against pollution 'a social service'

ENVIRONMENTAL planning for cities has reached a critical stage, Mr. Graham Page, Minister for Local Government and Development, said yesterday.

He told an Institute of Biology symposium in London on the biology of urbanisation: "Bad pollution, bad administration, bad planning are more disastrous the denser the population.

"Those of us who have had to confront pollution problems are now convinced that it is not enough to take one aspect or another in isolation.

"We have to seek a comprehensive view which embraces the whole structure and function of the cities."

Mr. Page said he hoped the Institute would not let the planner and developer forget the biological origin of man.

"Without clean air we choke: without clean, abundant water we die, and without some respite from the ever-increasing volume of noise and stress and strain at work, contemporary life would become intolerable."

That was why the fight against pollution was accepted by the Government as among the most important of the social services.

North Sea exploration is helping small companies

THE INFLUENCE of North Sea oil exploration has begun to affect small companies in the North-East of Scotland, according to the annual report of the Small Industries Council for rural Scotland, published to-day.

"For engineering companies throughout the region a trickle of business has started which can be expected to grow rapidly as the number of drilling and production rigs in the North Sea increases," it says.

The oil industry's demand for products and services on a 24-hour business basis was causing sub-contractors to overhaul their methods of working.

The report says that although the sudden influx of the new industry is causing problems of high land and property prices and competition for skilled labour, the general outlook for the region is "very promising."

APPOINTMENTS

Investment Trust Management

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John Govett & Co. Ltd., manage Investment Trusts and other funds worth some £350m. The Company intends to appoint a FUND MANAGER who will initially be responsible, together with a Managing Director, for two publicly-quoted, internationally spread Investment Trusts.

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We are looking for a man of around 30, with a flair and reputation for money management and who is capable of adapting to the house style. We would expect him to be promotable to a Managing Directorship within two years and to assume full responsibility for the trusts under his management.

The starting salary is negotiable around £7,500 p.a., and his further remuneration will depend upon his success as a Manager and his contribution to the Group.

WRIGHTSON Selection

Please reply, in confidence, by letter or telephone, giving brief career details, quoting ref. JG10, to: Rodney Wrightson, Wrightson Selection, 4 Broad Street Place, London EC2. Tel: 01-628 9116/7

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SENIOR MAN

AGED 28-40

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Aycliffe and Peterlee New Town Development Corporations.

CHIEF EXECUTIVE and GENERAL MANAGER

Salary: £8,010-£9,600 per annum.

Background: This appointment will become vacant on the retirement of the present General Manager. We are looking for a Chief Executive and General Manager to administer and develop the New Towns of Newton Aycliffe and Peterlee. The towns are designated under the New Towns Acts. Newton Aycliffe has a population of 25,000 rising to 45,000 under the present designation. Peterlee has a population of 25,000 rising to 30,000 under the current designation.

The Job: The New Town Corporation is responsible for the development of houses, offices, shops and industry in the Towns. The Chief Executive will have reporting to him the functions of architecture, planning, engineering, surveying, housing, industrial and commercial development, social development and corporate planning. Wide management experience, political sense and personal qualities of a high order are needed to control a substantial investment programme, to reconcile the different professional skills constructively, to combine the development of the Towns with other public and private agencies, and to deal with all the human and other problems inherent in the development of a new community.

The Man: We have no pre-conceptions about age or background. The successful applicant could come from the public or private sector or from one of the professions.

Applications, together with the names of two referees, to be submitted to the under-signed not later than 12th October, 1973.

A. V. WILLIAMS, C.B.E., B.A. (Oxon.),
General Manager.

Churchill House,
Newton Aycliffe,
County Durham,
DL5 4LE.

Administration Manager (Europe) £6,000+

An eminent international organisation in the public relations/public affairs field wishes to appoint a high-calibre executive as Administration Manager at its European headquarters in London. He will be in charge of all financial and administrative affairs and a member of the policy-making team.

Applications are invited from qualified Accountants aged about 30/35 with proven success records in European business management. Full-time experience in one or more continental capitals is essential.

Salary is for negotiation above £6,000 p.a. The route is open to Board membership.

Please apply in the strictest confidence quoting reference 1504 to Clive & Stokes, 14 Bolton Street, London, W1Y 8JL.

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Wagon Repairs Limited Group — Birmingham

COMPANY SECRETARY

WAGON REPAIRS LIMITED GROUP is a successful medium sized public company with six very active subsidiaries.

The requirement for a Company Secretary is an appointment calling for a man aged 35-45 with a sound knowledge of Company Law and general accountancy. He must, in addition, be thoroughly experienced in dealing with the City and Stock Exchange and have a good practical understanding of the procedures involved in the acquisition and disposal of companies. Initial responsibility will be for Wagon Repairs Limited operations but will gradually extend to the activities of the Group. Salary will be commensurate with the importance attached to these responsibilities. An appropriate car, and first class life insurance and pension arrangements will be provided.

Applications by letter quoting full details of experience and current salary should be addressed in strict confidence to:

Group Chief Executive,
Wagon Repairs Limited,
Halesfield, Telford,
Shropshire TF7 4EW

Financial Administration

The Association of Investment Trust Companies wishes to appoint an Assistant Secretary. Members' funds exceed £7,000 million and the task of safeguarding and promoting their interests is therefore vested with considerable prestige and importance.

This post will best suit a young qualified Accountant with a strong interest in Company Law matters or ideally with some legal training. Alternatively a qualified Solicitor or Barrister with some accountancy experience would be considered. High personal qualities are needed, and the ability to produce clear reports from a mass of complex information. Starting salary by negotiation around £5,000.

Please apply in the strictest confidence quoting reference number 1473 to Clive & Stokes, 14 Bolton Street, London, W1Y 8JL.

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COMPANY NOTICES

GESTETNER

5.5% interim dividend was paid on 12th September. Capital Shares will be issued to holders of Capital Shares registered on 13th August: —

	Ordinary	'A' Ordinary
Based on an average price of	155p	139.41p
For each share held, holders will receive	.0126731 per share	.0140900 per share

Bearer holders who have not lodged coupons 95 with Barclays Bank Limited (Branch Securities Department), 54 Lombard Street, London EC3P 3AH should do so now. Capital Shareholders should lodge with allotment instructions for new Capital Shares. Certificates are expected to be despatched on 12th October.

This notice supersedes that published on 28th August.

BARLOW RAND LIMITED

Preference Dividend No. 75

NOTICE IS HEREBY GIVEN that a Preference Dividend at the rate of 6% per annum for the half year ending 30th September, 1973 (amounting to six cents per preference share) has been declared payable to all preference shareholders registered at the close of business on 12th October, 1973.

The Transfer Books and Registers of Preference Shareholders will be closed from 13th to 19th October 1973, both days inclusive.

Dividend warrants will be posted to shareholders on 31st October 1973.

In terms of the South African Income Tax Act, 1962, as amended, a non-resident shareholders' tax has been imposed on dividends payable to:

(a) persons other than companies not ordinarily resident nor carrying on business in the Republic;

(b) companies not registered nor carrying on business in the Republic.

The company will accordingly deduct the tax from dividends payable to shareholders where addresses in the preference share register are outside the Republic.

By Order of the Board.
R. A. LAMBERT,
Group Secretary.

Registered Office:
33 de Beer Street,
Braamfontein,
Johannesburg.

Transfer Secretaries:
Rand Registrars Limited,
2nd Floor, Devonshire House,
Jorissen Street, Braamfontein,
Johannesburg (P.O. Box 2058).

28th September, 1973.

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established in Amsterdam

5% FIRST CUMULATIVE PREFERENCE SHARES

5% SECOND PREFERENCE SHARES

NOTICE IS HEREBY GIVEN that PAYMENT of the following DIVIDENDS having been duly authorised, the relative coupons may be presented at the Offices of HOLLANDSE KOOPMANSBANK LIPPMANN ROSENTHAL N.V., Nieuwe Spiegelstraat 6-8, Amsterdam, for PAYMENT on or after 1st October, 1973.

5 per cent. First Cumulative Preference Shares: Coupon Nr. 39, at the rate of F25

5 per cent. Second Preference Shares: Coupon Nr. 89, at the rate of F25.
25% Dutch Dividend Tax will be deducted.

Residents of the United Kingdom and other countries with which The Netherlands have concluded a Tax agreement, are advised to consult their bankers in order to obtain their dividends free or partly free of Dutch Dividend Tax.

Coupons forwarded from the United Kingdom will only be accepted if forwarded by Authorised Depositaries and accompanied by the usual declarations required in accordance with the regulations in force in Holland.

By order of the Board.
HOLLANDSE KOOPMANSBANK
LIPPMANN ROSENTHAL N.V.
Managers.

Nieuwe Spiegelstraat 6-8,
AMSTERDAM.

28th September, 1973.

THE PENINSULAR AND ORIENTAL STEAM NAVIGATION COMPANY

NOTICE IS HEREBY GIVEN that the REGISTERS of Deferred Stocks of The Peninsular and Oriental Steam Navigation Company will be CLOSED from the 1-14 October 1973, both dates inclusive.

By Order of the Board.
J. A. COLLINS,
Secretary.

26 September 1973.

CONTRACTS AND TENDERS

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2. The Bidders can obtain the bidding specification from the following address of the TURKISH ELECTRICITY AUTHORITY from October 1, 1973 against 1000 TL per set.

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   Necatibey Cad. No. 3 Marohan Kat 7
   Sihhiye-ANKARA/TURKEY
3. Bidders should be required to submit the documents, with their bids to demonstrate that they have enough experience to perform this work.
4. Bids will be accepted at the above mentioned address approximately 3 months after the date of announcement. The definite date will be indicated in the bidding specification.
5. The Turkish Electricity Authority is not subject to Turkish Law No. 2490.

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he Executive's World

EDITED BY JOHN TRAFFORD

is the motor industry so plagued by strikes? Management and unions have ; opportunity to put their case. Here we give the unsolicited views of a shopfloor er who says,

'eat the workers as adults

[OUSANDS of words written about the ills or industry and about ble cures. But most e written either by correspondents or and only rarely is from someone who orks in the industry.

, many reports are out job enrichment; much doubt if those them include anyone large, untapped force ent men who have heir working lives on lines and who could luable contribution to ings. Nevertheless studied and discussed nics, managers, and cials—many of whom ars have been divorced realities of boredom aily grind of the shop

present set-up, with uction the over-riding making cars economic- re never going to find r to labour disputes e experiments in job t now being tried in with small production first mass production which tried these vould make itself com- economic.

large plant to work as management must divisive elements so feel they get a fair deal being treated merely ages to machines. They st feel part of the com- which they work.

ould traditional privi- perpetuated so that r workers have built- fferentials over manual Who is to say that a line man is less trust- an one who works with or with a pen in an

ment asks for the men's does it not show some ? If manual workers given the chance they be able to prove them- re, you will have some abuse the system, but knows that some of the e it too. The British man, properly led and ated, is second to none rld. So instead of cry- down why doesn't man- start working with him nge?

nual side in a factory of undoubted ability management makes no t to harness. Real con- is almost non-existent. management calls con- is informing the union something is going to Union representatives are given little chance to influence vital decisions.

Take the introduction of a new model. It may well go into an outdated building where the planning engineers have decided to use every inch of available space. The unions will not know what facilities are available until men start working there.

Then the arguments start. Men who have been directed to a new model and who will work in that building for years to come, find that the facilities are just as antiquated as ever. Production has first priority and almost no consideration is given to the conditions in which men are expected to work.

Lack of real consultation is one of the biggest causes of disputes in industry to-day. If only management realised that men want a say about the conditions in which they work, hundreds of rows would never occur. Men have to argue, go slow, ban overtime or, in the end, go on strike to get things put right that should have bene done when the floor was planned. They have to press for conditions that should be regarded as essential. Yet they see managers having deep pile carpets being put into their offices, not because they have asked for them but because protocol demands that at a certain level they must have such conditions.

Men on the shop floor see dozens of new departments springing up on the staff side putting added costs on to the finished product.

It is no wonder that trade unionists in the motor industry have always been puzzled that there are not more stoppages.

One cause of our problem is that the industry is now taking in better-educated yong men who will not accept out-dated conditions. Already on the Continent, repetitive jobs in bad working conditions are being filled by immigrant labour because the locals refuse to do this sort of work, no matter how well paid it is.

Most of the car industry is now geared to high production models and this means running lines at speeds as high as 60 units an hour. Under new measured day work agreements a man gets a ten-minute break morning and afternoon, and two other ten-minute breaks provided by a relief man. If he needs to go to the lavatory outside these times he has to get his foreman to find a relief—and stand there until that relief arrives. The only alternative is to stop the line; and if that happens all hell is let loose.

Since the introduction of measured day work, the production worker has seen his position eroded. The ex-pieceworker has lost as much as £10-£20 a week in relation to other manual workers in the industry. So-called wage drift was the employers' primary reason for insisting on the introduction of measured day work, but at least under the piecework system the men almost entirely ran the jobs themselves because it paid them to eliminate as many stoppages as they could. Time stopped was money lost.

At work on the British Leyland Mini final assembly line at Cowley.

Since the inception of measured day work the production worker has witnessed a terrific growth of the work study (now called industrial engineering) department and has had reams of propaganda thrown at him. There now seems to be as many people watching people work as there are working.

But while departments such as this are springing up all round the factory the production worker knows that at the first sign of trouble he, and only he, will be put out of work on to the unemployment pay (if the Ministry thinks he qualifies for it).

While he is shut out the lines are stopped, no cars are being produced and therefore the firm is not earning money. Yet while he is at home without pay other staff whose work normally supports production will be kept in and paid. All the production worker is asking for is the security which already exists for all other sections of the work force.

Why too should managers be allowed to park their cars inside the works and get an extra hour at home, when the shop floor men have to walk half a mile to their car park and then have the frustration of waiting for thousands of cars to feed out of this one area?

Why should a man reaching a certain level in the company structure be allowed preferential treatment such as renting a car which is taxed, insured, serviced and changed yearly at a completely uneconomic rate?

These are the sort of privileges that really upset men and do nothing to create a united work force which the car industry must have if it is to get and maintain continuous production and take on foreign competitors. We are quite able to do this; we have the models and we are very competitively priced.

What we require is a management brave enough to take some steps in the right direction. Maybe we shall not achieve everything overnight, but somewhere along the line someone has got to have the guts to start putting people in front of production; treating men with dignity and not like half-witted children. There is a shop stewards' saying that must one day be acted upon, "Start treating men as men and not as children and they will start acting like men." So we come to the crux of the matter. Let's start having real consultation with the unions, using their brains and experience.

Although it would be difficult, let us put everyone on an equal footing with equal privileges, backed up by more security for the men on the shop floor. I can hear now the protests from those who already have the privileges of the "staff and manual" system. Nevertheless I believe that the only difference should be in the pay packet, which alone should reflect effort, ability, skill and responsibiliy.

Let us have the management starting work at the same time as the factory floor so that we can get decisions first thing in the morning. If this happened and managers had to put up with some of the indignities and frustrations that the men experience, problems would be solved in half the time and dozens of stoppages would be avoided.

If anyone can convince the shop floor worker that he is not entitled to the same treatment as a secretary who has been employed only a few weeks, then I have yet to meet him.

The man on the shop floor is not, as many people like to think of him, an animal who is always looking for reasons to strike. All he asks is that he should be treated as a human being and given reasonable security so that he can place himself with other people, know his income and plan his life like any other ordinary person.

We shall probably have to wait years for real workers' participation, such as employee representation on the Board. But the ball is in the management's court to start to-morrow. We could then be on the way to some peace in the motor industry. So come on, Lord Stokes, make a real start towards a new to-morrow and towards ending the "us and them" attitude.

The author is a Transport and General Workers' Union shop steward at British Leyland's Cowley works.

CORPORATE FINANCE

Goodwill misleads

BY JOEL STERN

ACQUISITION accounting practices governing the almost arbitrary inclusion of goodwill can be accused of misleading companies in their evaluation of potential acquisitions and investors in their evaluation of share prices. When amortisation is written into a balance sheet —in the U.S. the rules on this are clear, in Britain they are considerably less so—it will artificially lower earnings and can make both a take-over and consequently a share price seem unduly expensive.

In Britain there are no firm rules about the inclusion of goodwill resulting from acquisitions. All the same, nearly three years ago the Accounting Standards Steering Committee spelt out its suggestions. While accepted by some, others have been quick to suggest that they actually contravene the 1948 Companies Act.

Basically the ASSC divides take-overs into two classes distinguished by the method of payment. First, there are those involving the exchange of cash, loan or preference stock where goodwill may be included in the enlarged company's balance sheet. Secondly, there are those deals which involve an exchange of equity shares where the ASSC suggests that the existence of goodwill is superfluous.

The U.S. position is almost identical; differing only in the fact that the rules are absolutely clear-cut. The buyer must establish a goodwill account — representing the difference between the purchase price and the fair value of the seller's shareholders' equity— when reporting a "purchase;" that is to say a deal not involving an equity swap.

When the deal is classified in American parlance as a "pooling of interest" (that is when the payment for the acquisition is in the form of a buyer's ordinary shares) the books of the two companies are combined and no goodwill item is created.

Since "pooling" avoids the distortion caused by the amortisation of goodwill on earnings, management could erroneously lean towards it as a method of financing acquisitions. In other words, 'purchase" suffers a comparative disadvantage because of the real but nevertheless irrelevant reduction in reported earnings.

In the U.S. the distortion results largely from the regulation that the goodwill in a "purchase" must be annually amortised (written off) over a period not exceeding 40 years. In Britain there are no rules; some would write off the whole item in the first year, others spread the load and some even retain it in the books for ever.

Nevertheless it is wrong for management to be deterred by the comparative disadvantage of the "purchase" route. Earnings may be lower but the real benefits, which are reflected in future expected Free Cash Flow (FCF), remain the same. The ultimate FCF is not affected by the choice between purchase and "pooling." This means that the choice between the two routes should have no systematic effect on share prices.

By "systematic," I mean that though some investors may be misled by this accounting convention, astute investors are not fooled by arbitrary bookkeeping entries that have no impact on FCF.

The FCF Model discounts a company's expected future FCF, which is equal to the firm's expected net operating profit after taxes, NOPAT, minus additions to capital necessary to maintain an anticipated rate of growth in NOPAT. The symbol "I" represents increments to fixed capital. Thus, FCF is equal to NOPAT minus I.

Six parameters

The FCF Model employs six parameters which account for virtually all systematic movements in share prices. They are NOPAT, I, the tax saving from debt financing, the expected rate of return (r) on I, the weighted average cost of debt and equity capital and the time horizon (T) for which (r) is expected to exceed the cost of capital. The magnitudes of NOPAT, I, (r) and T determine the pattern of FCF over time. NOPAT and I determine any one year's FCF, whereas (r) and the magnitude of expected future I determine the rate of growth in FCF. The rate employed to discount the expected future FCF is the weighted average cost of capital.

The only accounting conventions that systematically affect a share price are those which affect the expected future NOPAT, I and (r)—and hence, FCF.

The amortisation of goodwill does indeed reduce NOPAT. However, an examination of the components of I and (r) shows that the expected future FCF is not affected by the amortisation of goodwill.

I is equal to capital expenditures minus depreciation and other non-cash expenses plus the increase in working capital. Although goodwill amortisation reduces the amount of NOPAT, it reduces I by the same amount because the amortisation is a non-cash expense. Thus, the amount of FCF is completely unaffected by the amortisation.

An interesting sidelight is the reason why depreciation affects FCF. NOPAT is reduced by only half the depreciation (depreciation reduces taxable income), whereas I is reduced by the total amount of the depreciation. Consequently, a depreciation write-off adds half of the amount of depreciation to FCF.

The expected rate of return on new investments (r) is also unaffected by any amortisation of goodwill required in future years. This is because (r) for a single investment is the rate that discounts the future FCF anticipated from the investment back to the original cash outlay. Because the magnitudes of the FCF and the cash outlay are not affected by non-cash, non-tax deductible expenses, a single project's (r) is not affected by the goodwill amortisation. Since the firm's (r) is a weighted average of all (r)'s for all expected projects, it, too, is not affected by the annual goodwill amortisation. Hence the expected rate of growth in FCF is unaffected by goodwill amortisation.

However, goodwill is important because it represents part of the cash outlay on which (r) is calculated.

Non-cash, non-tax deductible expenses do not affect a company's share price because these expenses have no impact on the economic value of future investments.

Goodwill amortisation is a clear case of an accounting practice that has had, and may continue to have, a detrimental impact on the allocation of resources. Good acquisitions are often rejected when the should be aggressively pursued.

The author is a vice-president of the Chase Manhattan Bank.

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THING else. I hope I en you confidence in mon sense." With these nging in their ears 20 executives with a self- l lack of deep financial e returned to their o doubt to put their nts through the hoop.

hree days Mr. Leon a management consul- l lecturer on company had led them through e of accountancy proce- osting and pricing, corporate objectives and control accounts. His message was simple—when in doubt fall back on common sense.

The course—Finance for Non-Financial Managers—was held at the Institute of Chartered Accountants, perhaps an inappropriate place considering that so much time was spent questioning the assumptions of accountants and the relevance of information in company accounts.

"Forget the concept of accounting and reality; one has nothing to do with the other," he told them. "Accountants tread the path between irrelevances and arbitrary judgments."

Referring to the valuation of stock, based on cost rather than the market value, he commented: "Accountants would prefer to be precisely wrong than approximately right."

The course, organised by Foulks Lynch (Management Services) was not intended to be an accountants - debunking exercise, however. It was meant to illustrate the pitfalls in analysing accounts so that managers could make allowances. He had to admit that even incorporating such a high proportion of estimates, guesses and arbitrary judgments, company accounts were a useful guide.

The managers were also given an explanation of the language of accountants. Many were quite surprised when they learned that reserves, for instance, were not something "kept by for a rainy day," "savings," or "money in the bank."

Mr. Alan Wood, deputy managing director of Guinness Overseas, thought that the explanation of terms was particularly useful. Although no stranger to balance sheets he thought he would not be at such a disadvantage when confronted with financial jargon—whether from accountants, "the man on the train who possesses a little knowledge" or "the trying journalist who prepares clever questions with which to catch you out."

The three-day intensive course of "clear thinking, exposition" was useful, he said. Company directors without formal training in finance or other specialist fields were often at a disadvantage. The accountants' language was not the only one which executives should master, however. Managers should also speak a foreign language. (Mr. Wood has learned French.)

It was noticeable during the course how much business was done by those attending during the coffee, tea, and lunch breaks. One of the busiest was John Clarke, general works manager of T. G. Green of Burton-on-Trent, a pottery employing 320 staff.

Having had only limited financial training the course had provided the language with which he could talk to financial men. Not only that; he managed to pull off two sales deals while in London—one of them, for a batch of promotional ash trays for ICI was negotiated next to platform one on St. Pancras station.

ICI may have a bargain. For the deal was settled before Mr. Clarke attended the session on "costing and pricing."

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FRIDAY SEPTEMBER 28 1973

France sticks to its line

WHEN General de Gaulle summoned reporters to his stately Press conferences at the Elysée the world listened with bated breath. Sometimes history appeared to have been made. By comparison yesterday's Press conference given by President Pompidou was a much less dramatic event. It revealed no obvious shifts in French policy, held out no promise or menace of a drama to come.

Yet not only the setting was the same as under M. Pompidou's predecessor. The haughty majesty may have disappeared and the flights of a creative imagination may have been subordinated to the actual potential of France in the 1970s, but the basic assumption of French foreign policy is unchanged: that American protection is essential to Europe—even if Europe, or more specifically France, reserves the right to make life difficult for the U.S. on specific issues.

Brezhnev

That assumption explains the extreme sensitiveness of the French about any suggestion that an understanding between Moscow and Washington may leave the Europeans to fend for themselves. When Mr. Brezhnev visited Paris in June after having met President Nixon, M. Pompidou looked for and was given assurances that this had not happened. Subsequently the French had a running argument with the Germans, the main point of which was the charge that Bonn's Ostpolitik was liable to lead eventually to a neutralised Germany in the heart of Europe.

M. Pompidou dealt with both points at his press conference yesterday. There was no crisis between France and Germany, and there must be no crisis. But then came the qualifying remark—it would be absurd to deny that the German Ostpolitik had not raised certain questions. Likewise M. Pompidou seemed to blow hot and cold on the issue of European defence which is so closely linked with U.S. plans for force reductions on both sides of the east-west dividing line in Europe. He looked forward to the day when the Nine arrived at a common policy and, with it, a common defence. But he quickly added a warning against putting the horse before the cart: the problem of arriving at an autonomous European defence was not to be solved to-day. All of that boils down to a known French position, but it does dangle before the eyes of the European integrationists the prospect that one day, perhaps, France will fit in with their dreams.

Defence

It is not the first time this year that France has seemed to waver on this point. In June the Foreign Minister, M. Michel Jobert, made a speech in the National Assembly which was widely taken as a signal that France might no longer be intent on jealously guarding the autonomy of its defence system (an autonomy which, in any case is heavily qualified by French dependence on the allied early warning system). In the end, however, nothing much seemed to come of M. Jobert's speech. M. Pompidou did nothing yesterday to elucidate. He was equally tantalising on the linked subject of European political union. M. Pompidou indicated his readiness to talk about regular meetings of the heads of government of the Nine to further the cause of union. As in the case of defence, that may mean much, it may mean little, or almost nothing. The probability is that for the moment it means no more than that French foreign policy is unchanged.

Equally it leaves the door open to change if the pattern of power in the world and Europe should alter. That is no more than a sensible precaution at a time when the SALT talks have resumed, when the East-West conference on troop reductions is about to meet again, when the U.S. Senate is pressing for reducing American military strength in Europe, and when, as evidenced by Watergate and the attacks on the Soviet dissidents, power structures within the two great powers may at least be in question.

Prices and profits in chemicals

WHILE the recovery in capital investment appears to be gathering pace in most of British industry, the chemical companies are continuing to take a distinctly cautious line. Their hesitancy derives in part from the unpleasant shock of the 1970-71 recession, coming as it did after several years of rapid growth: during most of the 'sixties impressive gains in productivity, as large and modern plants came on stream, outstripped the rise in costs and profitability was good. The serious over-capacity which developed when demand slowed down forced several companies to cancel or postpone expansion programmes, while the continuing rise in costs had a disastrous effect on profits. Despite the recovery in demand that has taken place in 1972 and 1973, the industry is still wary about committing itself to major projects which might lead to another crisis of over-capacity later in the decade.

Joint ventures

In this context the discussions now in progress between ICI, Shell and British Petroleum over a proposal for a jointly owned ethylene cracker make obvious sense. The amount of finance needed for to-day's ethylene plants, together with the problem of absorbing the output when the cracker comes on stream, is compelling the industry to make more use of the consortium approach to finance and operate these plants. The practical problems involved in planning a co-operative venture of this kind are considerable; the volume and timing requirements of the participants are bound to differ. But the indications from the Continent as well as from the U.K. are that jointly owned plants will become an increasingly common feature of the chemical industry in the next few years.

There is no doubt that new capacity will be needed. At the present time most of the British industry is working flat out, and the same is true on the Continent. Shortages of certain basic materials, notably benzene, have created a very tight supply position in polystyrene, and other plastics are also short. Several plant breakdowns in the U.K. have made the position worse. Even if demand tails off again next year, major new plants will have to be on stream by, say, 1976-77 if prospective home and export needs are to be satisfied.

To meet this timetable decisions on new projects will have to be taken soon. The risks of another bout of over-capacity may be reduced by the trend towards more jointly owned plants and by the industry's greater willingness to exchange information on sales forecasts and capacity plans: the European Commission appears to be taking a more sympathetic view of such co-operation. But the biggest uncertainty for the British industry concerns prices and profits.

According to a recent paper by Mr. John Townsend of ICI, the pre-tax return on capital employed in the U.K. chemical industry dropped from 12-13 per cent. in 1968-69 to 11 per cent. in 1970, 6.5 per cent. in 1971 and 8 per cent. in 1972. To get the return back to the 15 per cent. level which the industry wants, a very big improvement in profits will be needed in 1973 and 1974. Whether it will be obtained depends largely on how the industry is treated under the price control provisions of Phase Three.

Every industry tends to think of itself as a special case, but there are dangers in pressing too hard on "basic" industries in which demand is highly cyclical and additions to capacity take the form of very large and expensive plants. From the U.S. there are suggestions that the current shortage of steel could well persist for a considerable period, because the American steel producers have been unable to generate the profits necessary to finance the huge integrated plants which are now required. The same could be true of the U.K. chemical industry if profits at the top of the cycle are restricted too severely.

How inflation made an ass of Phase Two

BY ANTHONY HARRIS

MR. Campbell Adamson's carefully-timed outburst of frustration in Glasgow this week, when he accused civil servants of failing to explain the effects of price controls to Ministers, is a sign of genuine alarm. The CBI has been baffled at its apparent failure to put over what it regards as an unanswerable case against the existing rules on price control, and fears that some of its worst features may be perpetuated.

The TUC is also sullen, of course, and Ministers may well be comforting themselves with the thought that a policy which causes equal distress on both sides is, on the face of it, fair. Certainly they are preparing to wipe off any complacent smiles playing about the lips of retailers at the moment. This is altogether too easy a moral; to make everyone unhappy is not really an adequate policy aim, and even if it were, it has not been achieved.

The unhappy people

The real case against the existing rules is that those who are most unhappy are the very people who were supposed to get the most benefit: efficient, expanding companies and low-paid workers. Those on either side of industry who have something sufficiently scarce to sell have done very nicely. The anti-inflation policy has favoured those who are contributing most to inflation.

However, this result has put both the CBI and the TUC in an awkward position, for both organisations are paid to represent all their members, and have therefore been inhibited in what they could say. Because some of their members have suffered, they have had to argue as if all had done so, and to try to present a case for bigger increases in profits or pay in total. In these terms it is clearly impossible for both sides to be right. Small wonder, then, that Ministers have tended to discount all arguments put to them.

This has been particularly easy since the CBI has tended to base its main case on a claim for the importance of high profits at a time when profits have been rising unusually rapidly. This rise, a matter of 26½ per cent. in the first half of this year, is largely explicable in terms of stock appreciation and cyclical factors, but makes it hard to plead a squeeze.

The CBI case has been all too easily brushed aside by the Government because it presents these figures in the context of a general attack on control of profit margins—an attack which seems more designed to impress its own sturdier exponents of free enterprise than to persuade Ministers. This is unfortunate, since the case against the way that profits are distributed under the code—leaving aside their total volume—is strong.

Even when it comes to this issue, however, the presentation is puzzling. The attack has tended to be concentrated on what is always described as "the method of calculation." What is in fact at issue is the basic principle of the controls: the fact that price rises can be justified only by reference to increases in unit costs of output.

Such a principle might work very well as long as there was not much "imported" inflation or wage drift. Firms which improve efficiency could expect higher rewards with stable prices: the odd victims of external costs would at least have their margins protected. But given large rises in bought-in costs, the results have been very different.

In retailing, where the rules protect gross margins directly, the result has been a rapid rise in net profits wherever the cost of goods has risen more rapidly than the cost of running a shop (notably in the food trades).

As long as efficiency is unchanged, a rise in "bought in" costs is automatically passed on (and magnified), since a similar percentage rise in price is allowed. This is the situation in retailing, and has resulted in rapid increases in *net* profits in those trades where the cost of goods has been rising much faster than the cost of running a shop (notably in the food trades).

In manufacturing industry, the rules are different. The basis for a price rise is the rise in total costs, including operating costs, so that the rise in the cost of materials has been partly offset by improved efficiency, which has reduced internal unit costs. But this means that only those companies which have been able to reduce operating costs by a sum greater than the rise in the cost of materials have been able to get any reward for their efficiency. This has usually been possible only in capital-intensive industries which achieve a high added value.

Ensuring that cost absorption is the first claim on improved efficiency looks at first sight a good way of checking price rises; but since it is also a signally bad way of encouraging efficiency and investment, the rewards are likely to be short-lived.

That is not the whole story. When drafting the code, civil servants became unhappily aware that, as one put it, "it was beginning to look awfully cost-plussy." They therefore decided to give it a bias towards restraint by the rather odd expedient of disallowing certain operating costs, including half the cost of any wage increase. These disallowances ensure that the net profit margins of manufacturers fall as long as their unit costs are rising.

One further feature of the code deserves attention. The fact that price rises compensate for allowable increases as a percentage of costs, and not of selling price, has an odd result: the higher the initial profit margin, the less onerous is the code.

In the official example printed here, for instance, the operation of the official rules reduce the cash margin per unit of sales from £6 to £4.76, the difference between the new cost and the new price. But the result would be different if this were a very high-profit industry, in which production costs amounted to only 47 per cent. of selling price (and this goes only slightly beyond the examples known to the Price Commission).

All the figures in the table, except that for profit, would be halved. This would give exactly the same percentage increase in cost and in selling price, but in this case a rise in costs of £2.75 would give an increase in price of £4.26, putting up cash profits by £1.49. This odd result follows from the fact that the percentage increase allowed covers profits as well as costs: so the higher the profit, the bigger the offset against "disallowed" cost increases.

The end result is a code which has treated different profit-earners on a very unequal basis. The retailers have on the whole done best, since their gross margins have been protected. Manufacturers have had mixed fortunes. Those who have been able to reduce unit costs in total have enjoyed increased profits, though they will have to cut their prices when they reach their reference level. This was probably the general pattern which the Government hoped to achieve.

Among those who have had to raise prices, often through uncontrollable costs in raw material prices, percentage margins have in every case been squeezed. Cash profits, on the other hand, have risen in those trades where the rise in material costs has been very large, or where profit margins were very generous. But they may well have been reduced where net margins were narrow, and the main rise has been in internal costs.

A system which reserves its rewards for those who handle materials, preferably at sharply rising prices, and makes it hard even to maintain profits on productive activity, clearly has the wrong bias. As long as external costs are rising rapidly, it is not very encouraging to know that only those firms which can hold prices stable can increase their profit margins and earn a reward for efficiency and new investment. The CBI therefore has a strong case for urging a new approach, and for concentrating its basic attack on the basic principle of the code: the fact that price control is regulated through unit costs of ouptut.

Reward for efficiency

The CBI argues for controls based on the cost of inputs of both materials and labour. This would allow a reward for efficiency even in the presence of imported inflation. In these circumstances a productivity deduction would no longer be double counting, but would set a target. Those who could keep the rise in unit costs below, say, half the rise in wages would improve their profits, but those who failed to achieve the target would suffer.

Some offset would be needed against the increase in profits allowed by this change. This could best be found by giving less generous treatment to retail margins and to that part of manufacturing profit which arises from handling costlier materials. The simplest—though perhaps unduly Draconian—measure would be to stabilise cash margins rather than percentage margins on bought-in costs.

Such a system would still be "cost-plussy;" and as the Americans have found, the effect of such an approach is to persuade firms to concentrate on trying to raise their prices rather than to reduc costs.

This is the result, essentiall of the firm-by-firm approach t price controls. As with labou costs, it would be preferabl with all others to set price industry by industry, on th basis of industry costs, so tha firms with above average pe formance would earn disproportionate share of th profits. The difficulties definition and administratio however, would be enormous.

It is impossible to devise perfect system of price contro but this does not mean that w need be satisfied with one whic produces such untoward result

Impact on budgets

On the wages side, it is agai imported inflation which h done most to distort the i tended workings of the Phas Two code. This time, it is th more familiar fact that foo prices are especially importar to the poor which is the sourc of the trouble. This can b clearly seen from the offici figures for the general reta price index and the speci index for pensioners: th pensioner index has risen 10 pe cent. more in the last year tha the general index.

The impact on the budgets families is even worse. Som 20 per cent. of the populatio have suffered as badly as th pensioners, and the poorest 5 pe cent. appear, according to wel based computations, to hav suffered a rise in their livin costs nearly 30 per cent. great than the average. (The ric it should be noted, have n done correspondingly well.)

Since the poor also suff from the "poverty trap" terms of marginal tax and lo of welfare benefits—especial large families—they have s fered doubly in real standa A wage increase of 8 per c —the officially allowable figu for a £25-a-week man und both Phase Two and th rumoured new rules—is wor only 5½ per cent. in take-hom pay to a father of three or mo children. To cover the rise more than 10 per cent. in livin costs which this group has su fered, he would need to ra his gross pay by some 18 p cent.

The low-paid are in fa doubly the victims of inflatio They have suffered a differe tial rise in their living cost while the real value of the ta allowances and welfare su ports on which they heavily re has been eroded. Any solutio to this problem must be high expensive, whether throu wage increases, restoration the real value of tax and famil allowances, or subsidies.

Somehow, on the wages sid as on the prices side, th damage inflation has done t Phase Two needs repair.

What the White Paper says .....

Calculation of Maximum Permitted Price Increases

Paragraphs 33 and 34 of the White Paper explain how maximum permitted price increases are to be calculated. Below is set out an example to illustrate how the calculation would be made for a single product where the increase in allowable costs per unit is smaller than the increase in total costs per unit:—

£

	Cost per unit of output		*Cost Increase per unit of output*	
	As at 30.9.72	*As at date of price increase*	*Actual*	*Allowable (net of productivity deduction)*
Allowable Costs	64	69	+5	+ 4
Non-Allowable Costs	30	30.5	+0.5	0
Total Unit Cost	94	99.5	+5.5	+ 4
Profit	6			
Selling Price	100			

In this example the maximum permitted price increase is

$$\frac{\text{Allowable Cost Increase per unit}}{\text{Total Cost per unit at 30.9.72}} \times 100\% = \left(\frac{4}{94} \times 100\right) = 4.26\%$$

This percentage may then be applied to the selling price. In this example the new maximum selling price is £104.26.

MEN AND MATTERS

Proctor's stand at Griffiths Bentley

Stephen Proctor did not look much like a man alone yesterday as, surrounded by his merchant bankers, auditors, stockbrokers, accountants and public relations men, he explained why he is the only member of the Griffiths Bentley Board against the £16.8m. bid from Bristol Street Group. His resistance has led to the other directors removing him temporarily from executive office (as managing director). The bill he faces for letters to the 10,000 Griffiths Bentley shareholders comes to well over £10,000 with his campaign only just under way.

Proctor's most hopeful omen is that the shareholders have already, only weeks ago, thrown out another merger proposal. But on that occasion—the deal involved Bryanston Finance—Proctor supported the merger plans. Even so, it was after shareholders had rejected them that, on the resignation of Per Hegard as Griffiths Bentley's chairman (taking with him £30,000 as compensation), Proctor took over as managing director.

Proctor himself has a long-term contract, up to December 1978, at £12,500 a year, and also D-Mark 15,000 (about £2,500) as a director of a German subsidiary. So if his campaign fails he could well receive full entitlement under his contract. If he wins, under the rules of the takeover game, the company will pay the expenses of his present campaign.

Another twist to the story is that both Proctor's father, Oscar Proctor, who started the Britax safety belt company in 1937 and eventually saw it become part of Griffiths Bentley in 1971, and a brother who is also no longer with the group, are thought to favour the deal with Bristol Street Motors. But most of the family shares are in trusts, so there is no knowing which way they will be voted.

Stephen Proctor is confident enough that he will win to have already lined up a new chairman for Griffiths Bentley. All he will say about him at the moment is that the new man is "an industrialist of distinction" and that his identity will be revealed "when the time is right."

Hear all about it

This is the week for plugging the works of Macmillan. Yesterday it was the turn of Alexander Macmillan, son of the Employment Minister and grandson of the year's most promising author, who was helping to launch Practical Europe, a company set up to sell instruction courses on the EEC with cassettes at £17.50 a time.

Practical Europe, aiming to "equip British people at all levels, up to the chairmen of large public companies, to meet the challenge of British entry into the Common Market," has certainly assembled a distinguished list of directors. Chairman is Lord Harlech, sometime Washington Ambassador. Doing most of the work with Alexander Macmillan will be Desmond Donnelly, the former Socialist MP, Sir Raymond Brown, once Britain's arms "super salesman," and Sir Edward Hulton, once the head of the Hulton Publications empire.

The first of the tapes, Your Company Joins Europe, is now available so that businessmen can learn about the event which Practical Europe bills as even more important than the 1832 Reform Bill.

Someone else pointed out that, although it will be produced and distributed through the Macmillan publishing house's education division, this cassette learning represents another stage in the decline of the written word. Harold Macmillan sat silently beside his grandson as Lord Harlech remarked that no businessman need read books about Europe any more.

"He is certainly helping to make the roads less congested."

Erroll's role at the Institute

Having just appointed a new chairman, the Institute of Directors will next year have to get a new director general as well. It will not be easy to find a successor for Sir Richard Powell, the lofty and outspoken figure who has built the Institute from a membership of 4,000 ten years ago to 44,000 to-day. But Powell, who was a close friend of the late Lord Renwick, the former chairman, insists that it is now time for a "younger person to take over."

Time will tell what that means in terms of policy. But Lord Erroll, the new chairman, has had a similar background at the Institute. He joined, like Renwick and Powell, in 1948 when it was resuscitated after some 40 years of inactivity, to fight nationalisation. Since then things have changed, with the Institute moving steadily away from politics towards social issues, health (it gives 12,000 check-ups on directors annually), education (it has a celebrated language school) and ethics. And while the CBI has assumed the role of national spokesman for industry, the Institute has tried to identify itself with the problems of individual directors and smaller companies.

Given the vagaries of politics, one issue which Erroll, a former Tory president of the Board of Trade, could be tackling again in 12 months time is nationalisation.

His most pressing problem, presumably, will be finding a successor for Powell. Powell has himself already drawn up a job specification: "What we want," he says, "is a man with enormous entrepreneurial talents and no personal ambition." It will be amusing to see who answers to that description.

Mad Westerners

Union Carbide sent a memo to its Japanese operation including the phrase "Out of sight, out of mind." The local staff were presented with this translated as "Invisible, insane."

Observer

A nervous start to the new term

'OLITICAL season this year in as dis- ıt to say neurotic, an o as I can ever . Summer holidays ılonged absence from ouse atmosphere of :er normally induce ans, if only fleetingly, of proportion. The : television return to topics with renewed l even some new 'he Civil Service, after release from parlia- questions and Select es, tends to conclude ılitical masters are not ıd lot after all. And electors seem to think y better of politicians ıce. None of these ıs has materialised ımn, and the body ike some middle-aged on the edge of a breakdown, drags its . to work more deeply l than when the egan.

ıptoms

ld be absurd to base ıy diagnosis merely on personal experiences, starting point let me small incidents in my rience of the last week em to me to chime in y with the mood.

• eminent businessman, t Conservative and sup- the Prime Minister, is ing gloomily about the state of the economy total unreality, as he t, of the Government's propaganda. "But does e Minister believe his aganda?" I ask. "That's of it," he replies. "He does."

discussing Lord Roths- 'indiscretion" with a ıll servant. "Well," he support Victor had to ted; but I must say I was a red carpet."

● A Labour politician: "I know exactly what Harold Wilson will say at the Blackpool Conference. He will rant and rave about the Stock Exchange and the property developers and the building societies. And he will raise the roof. But not a single word of it will have anything to do with socialism. He will not create a single ne wjob or redistribute a single penny from rich to poor. Why don't we call ourselves the Fantasy Party and have done with it?"

● A Conservative fellow journalist who has been at the Liberal Conference in Southport professes himself greatly impressed by the competence of the Liberal organisation and the political flair of Mr. Trevor Jones ("a political natural"). He argues that the Liberals are taking at least as many votes from Labour as from the Conservatives "because if this were not so Labour ought to be much further ahead than they are."

● A normally fairly hard-boiled friend takes me to task for being "unduly hard" on "poor old Harold Macmillan" in a review of his latest volume of memoirs. I protest that he should read the book in order to remind himself of just how awful the last two years of the Macmillan administration had been. "Oh well," he answers with real conviction, "it wasn't half as bad as the present."

These vignettes prove nothing in themselves. They merely confirm what one can see quite clearly from all sorts of evidence. The Government has lost credibility with the Establishment in its handling of the economy. The Civil Service is nervy and disaffected. The Labour Party is sleepwalking. Conservative voters—followed by influential members of the media—are whoring after strange gods. And the public, after a long ascetic diet of Mr. Heath, hungers greedily for a little red-blooded political "style"—even if it is a meretricious one.

Mr. Heath: too bracing? Mr. Wilson: how socialist? Mr. Thorpe: much revived?

These signs of dislocation are obviously going to be the main basis of political discussion for the rest of this year and much of next. This week, however, I merely wish to explore the preliminary question of whether the malaise is curable by any straightforward means. In other words, supposing that the Government does succeed this winter in damping down inflation, maintaining a high rate of growth and avoiding serious industrial unrest, will everything else fall into place?

The Liberals

Traditionally we have tended to answer this kind of question in the affirmative; and certainly the Prime Minister has always put his shirt on what one might call the "payment by results" view of politics. Not only is "style" a dubious substitute for prosperity, but if prosperity is present the whole political system falls into place. Nevertheless there is now a strong and fashionable school of thought that argues very differently. No doubt, they say, the civil servant is easily placated if his political masters are in the ascendant, but so far as the parties and the electors are concerned the disease is now too deep-seated to be cured by anything so simple as economic means or on any time-scale this side of the General Election.

On this reading of the situation the Liberal revival represents what the Liberals claim for it—a profound revolt against centralisation, bureaucracy and machine politics. The troubles of the Labour Party, likewise, stem from factors quite outside the course of national events throughout the past year or even the past three years, and can only be cured by a long internal dialectic within the Party itself.

Weakness

The temptation when meeting this kind of argument is to deny it altogether as one frequently hears done by the kind of politician who prides himself on "hard-headed realism." It must be perfectly obvious by this time to anyone who does not have an enormous axe to grind that there is, in the Liberal revival, at least some element of annoyance over the ordinary man's inability to affect the decisions of the three giant concentrations of power—government, labour, and capital—in so far as they affect his own life, and that some of this annoyance has nothing to do with the three giant's failure to deliver the economic goods. Similarly, anyone who has studied the history and structure of the Labour Party knows that the struggle between the Marxist and the Fabian strands of Labour thought antedates the Common Market controversy, the Industrial Relations Act or the wages freeze.

And yet, having admitted that a general taste for "community politics and local initiative" would survive an economic success and that the Labour Party will remain, presumably till the end of time, an uneasy coalition of doctrines, I still believe that the whole political situation — not simply the balance of power and the relative position of the parties but the whole political morale of the country—would be transformed by a year in which the economy could be seen to be coming right.

In the case of the Liberals, nothing that has happened in the last few months has yet convinced me that they are in a radically different position from the extremely exposed salient that they have occupied before. The common criticism that they have no policies is beside the mark: they have always had plenty of them. But the Liberal weakness is that so many of their supporters do not know and probably do not wish to know what these various policies are. Being fugitives from the other parties (predominantly the Conservatives), they prefer, for instance, to remain ignorant (as the opinion polls show) of the fact that the Liberals are in favour of the Common Market and are genuinely liberal on the subject of immigration.

The Liberal high command professes to be encouraged by the opinion polls but they are not in fact desperately impressive. For example, although it is true that the latest Gallup result shows a Liberal rise accompanied by a small drop from Labour, if one takes the Liberal revival as a whole the story is plain enough — the Labour vote has remained steady, the Conservative vote has gone down; and the inescapable inference is that Liberal gains have come mainly from the Tory side. Since this slide has got steeper more or less in step with general disenchantment about prices, it also seems probable that many of the rebels are middle and lower-middle class voters squeezed by inflation. To make matters worse it looks from the figures as if Tory fugitives are more volatile than the (presumably middle-class) fugitives who have deserted Labour as a result of its leftwards swing. In a place like Hove, Liberals may perhaps take more votes from Labour, but that will be because Mr. Des Wilson has a more pronounced Left-wing flavour than can be easily disguised.

Conclusions

The conclusions from this seem to be: (a) If there is an economic breakthrough the Liberals could get badly squeezed, though perhaps they might do marginally better than before, as a result of more publicity and more money. (b) If there is no economic breakthrough they could do well in a General Election but thereafter could be in grave difficulties because the realities of their policies would be exposed in a balance of power situation. (c) Jones the Vote (that political natural) and Mr. Peter Hain are probably wrong to recommend the Liberals to go for Labour votes.

The Labour Party crisis is far more complicated and difficult to analyse, and much more can be said about it next week during the Blackpool Conference. For the moment it is worth making the point, however, that while the Left are still on the rampage and are likely to make further advances (Mr. Denis Healey may well lose his seat on the National Executive) the longer-term outlook is rather different.

The fact is that the left-wing shift of the last couple of years has been the result of a coalition between the Left Wing activists in the constituencies and a TUC temporarily distracted by the industrial relations controversy and dominated by two powerful Left-wing figures. This coalition overwhelmed a Parliamentary Party and Shadow Cabinet, themselves distracted by the Common Market issue. A more normal balance may now re-establish itself as both industrial relations and the Common Market recede somewhat from the picture and Messrs. Jones and Scanlon realise the danger of alienating public opinion in the run-up to the General Election. Behind the Left-wing rhetoric and the arguments about nationalisation which will dominate the Conference these realities are already beginning to stir and it would not surprise me to see a reassertion next year of primacy of the Centre.

An economic breakthrough is not absolutely necessary to this process but it would powerfully assist it. The more even the fight between the main parties becomes the more necessary the struggle for the central block of votes becomes; but, more fundamentally, the removal of the desperate sense that the economy is beyond the control of any of the normal social democratic, Keynesian remedies, might also remove the escapist attractions of Marxist brimstone and treacle.

ıbour News

ıur unions accept PA threshold deal

ƆHN WYLES, LABOUR STAFF

APER PROPRIETORS y reached an agreement ır printing unions on a to the threshold pay dis- ch sporadically disrupted on of national news- ast July.

ment with a fifth union ly, leaving only the l Society of Operative , Graphical and Media el still without an under- g with the Newspaper ers Association.

SOPA said yesterday that ral secretary, Mr. Richard law, had again raised e NPA the question of ng the threshold agree-

r this agreement, made in per cent. cost of living creases were due to have brought forward from 1 to July 1. These were by the Government's Pay id will be paid from next Altogether, about £1.68m. have been paid to 35,000 workers in London and ster, but for Government

NPA agreed yesterday ıe sum of money which have been paid between and September 30, will be ıy the newspaper companies and paid when Government legislation permits. While it is secured, the money will earn interest at the rate of 8 per cent. a year.

The national executives of the electricians, the engineers and the designers and engravers are expected to ratify these proposals, while the National Graphical Association will put them to a ballot of its members.

Scrutiny

The agreement will be submitted for the approval of the Pay Board which is likely to give it careful scrutiny in light of the Government's Pay Code applying the pay limit to the total of all wage increases over a 12-month period "irrespective of whether they are paid during that period or at a later date."

The results of a Society of Graphical and Allied Trades ballot on separate NPA proposals should be known in about 10 days' time. SOGAT negotiators rejected the "pay later" formula accepted by the other unions in favour of paying the money due to its members into a special trust fund which would deal with hardship cases among SOGAT workers on national newspapers.

ıdak processing dispute nains deadlocked

NOEL HOWELL, LABOUR REPORTER

INDUSTRIAL dispute has halted film processing at Kodak's Hemel Hemp- plant for the past three remained deadlocked lay.

ıeeting between the com- and the Association of atograph, Television and Technicians failed to take after Kodak insisted that ıp steward should join the

company is now thought actively considering the ility of laying off some of 500 workers at the plant. ıal decision has yet been but an early announcement ıly.

stopped

ıe 60 ACTT members are ntly turning up at the fac- out are refusing to do film ss work. They are protest- gainst the halting of pay- s to union members on kcolour print processing staged a sympathy strike r this week after the decided to step up action e 12-week-old dispute.

TT chemical mixers are ing to work with members the recognised "house" ı, the Union of Kodak ers, who have ignored the -to-rule. The UKW members, ugh made idle by the dis- are willing to work and are being paid.

dak last night denied dis- inating between UKW and T members when deciding to pay, but said "we are not prepared to pay employees who won't work."

The dispute first began over a claim for extra pay for handling a new machine, but ACTT has used the row to maintain pressure on the claim of six TUC unions for recognition at the company. These talks are deadlocked.

Although the company met four ACTT shop stewards and their national officials on Wednesday, Kodak yesterday insisted that only national officials should attend any further meeting so as not to give any impression that the company had recognised ACTT or was discussing recognition with its stewards.

The talks, temporarily suspended, are being confined by the company to the present dispute and the Department of Employment conciliation service is trying to get the national talks re-started over a recent TUC membership audit and possible recognition.

If processing at Hemel Hempstead remains at a standstill for any length of time the company might decide to cut back its staff on Kodakcolour print processing—which faces stiff competition from outside processors.

The unions renew their siege, Page 13

AMBULANCE PEACE

Glasgow ambulance drivers yesterday voted to call off their three-day-old strike.

More Labour News Pages 32 and 33

NIRC clamps down on two strikes

BY OUR LABOUR STAFF

THE AMALGAMATED Union of Engineering Workers was yesterday set a deadline by the National Industrial Relations Court to end a strike by Monday morning. At the same time the Transport and General Workers Union was reprimanded for failing to call off a strike in the time allowed by the court.

The NIRC held that the strike by AUEW members which began without notice to the employers, Con-Mech (Engineers), of Woking, Surrey, last Wednesday—was an unfair industrial practice.

Sir John Donaldson, president of the court, said that since the company had complained to the court, Department of Employment conciliators had arranged a meeting between the union and the company for to-day.

Because of that, and to give the union time to have the strike called off, the order would not take effect until work started at the factory on Monday.

Sir John said that there had been very real communications difficulties, because the strikers were immigrants who had only just joined the union.

The AUEW, which has always boycotted the court, did not appear.

The court's rebuke to the TGWU followed its decision on Tuesday to give the union until noon on Wednesday to end a ten-day-old walk-out by 40 members at Davenport's brewery in Birmingham and to stop the "blacking" of companies delivering sugar, malt and other supplies.

The men did not go back to work until yesterday morning—by which time contempt of court proceedings had been started.

Sir John said the delay was inexcusable. "Every court has a duty to enforce its orders. This court is no exception and will not permit its orders to be ignored," he said.

"The union should know this. We think the union does know it. It is as well that everyone should know it."

The court decided not to impose a penalty on the union.

Explaining the delay in ending the strike, a union official had said that the men feared victimisation on returning to work, that there were difficulties in communicating with the men and that the deadline was an inconvenient time.

Norwegian mini-steelworks for Manchester

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

THE Norwegian Elkem-Spigerverket company, refused Government permission to build a mini-steelworks at Chesterfield two years ago, has now been granted an Industrial Development Certificate for a £10m. plant in Manchester.

When the Chesterfield plan was turned down, at a time of high unemployment, the Government faced a storm of local protest and a threat from Elkem-Spigerverket that it would abandon its plans for developing in Britain.

Now, after the considerable improvement in the employment situation, the scheme unveiled yesterday for Manchester is not likely to arouse controversy. All that remains is for Manchester Corporation to give final planning approval.

The £10m. mini-steelworks outlined by Elkem-Spigerverket yesterday is planned for a site it is buying from Johnson and Firth Brown, which had considered developing a mini-plant there itself.

The Norwegian scheme is somewhat smaller than originally envisaged, at least initially.

It is designed to produce 100,000 tons of billets a year initially, rather than the 150,000 tons first discussed. However, it is intended to build another steel furnace and a rolling mill for reinforcing bars at the same location later, which could take production up to 200,000 tons.

The first stage of the development will consist of an electric arc furnace and continuous casting machine, with fume-cleaning equipment and auxiliary facilities.

Capital expenditure on the initial stage will be about £4m., and with the development of the bar mill and increased billet production capacity total investment will amount to some £10m.

Elkem-Spigerverket — formed last year following a merger between Christiania Spigerverk, the original proposer of the U.K. scheme, and Elkem—hopes to start production at Manchester in the first half of 1975.

At that stage about 120 people will be employed. Subsequent expansion should lead to employment for between 250 and 300 workers.

Elkem-Spigerverket employs about 8,500 people at more than 30 plants in Norway. It is engaged in aluminium, steel and ferro-alloys production and mining and engineering, and also produces a wide range of manufactured goods.

Johnson and Firth Brown, which owns the site on which Elkem-Spigerverket is building at Manchester, is associated with the development of another mini-steelworks.

It is expected to take a quarter-share in the £7.5m. plant being built by Hall Engineering's subsidiary British Reinforced Concrete, at Birkenhead, which, with an output of about 150,000 tons, is due on stream next year.

More spending on new factories

BY OUR INDUSTRIAL CORRESPONDENT

AN INCREASE of over 25 per cent. in capital expenditure on new factories by U.K. industry during July was reported by the Department of the Environment yesterday.

According to provisional DoE figures building contractors received new orders worth £103m. for industrial work.

This is £23m. more than in June, which was itself the best month the construction industry had known for two years in the field of factory building, and twice as high as the general level last year.

Expressed in terms of constant (1970) prices, and adjusted to exclude seasonal variations, the July figures are even more impressive. On this basis orders for private sector industrial building rose by no less than 18.5 per cent.

Predictions of a further rise in industrial investment in the second half of this year, after a pause between April and June, appear to be supported by these early figures.

Overall, new orders obtained by contractors for all work in July were worth £611m., around £45m. more than in June.

At adjusted 1970 prices this represents an increase of 4.8 per cent. on the monthly average for the second quarter of this year.

Orders for new housing fell away in July, however, and there were indications from the building industry yesterday that there have been further reductions since then because of uncertainty over the mortgage situation and high interest rates.

New orders for private housing were worth £139m. to the contractors in July, £10m. less than in June, and public sector orders, mainly from local authorities, remained much the same as in June at £67m.

According to the industry, house-builders are marking time at the moment, waiting to see whether the inflow of funds into Britain's building societies improves next month with the increase in investment rates.

Meanwhile, the industry has suggested that the Government should provide building societies and local authority funds with £200m. in loans to keep the housing market going.

The DoE figures indicate a fairly buoyant market in the commercial building field. Orders in this sector were worth £98m. in July, £13m. more than in June.

Public sector orders, other than housing, were worth £204m. in July, £18m. more than in June.

Finance House base rate rise likely

BY MICHAEL BLANDEN

THE FINANCE House base lending rate, due to be announced to-day, is likely to show a further rise from the record level of 12 per cent. reached at the beginning of this month.

This, however, will reflect the high levels of interest rates in the money markets during August. In recent weeks the pressure of rates in the City has eased somewhat. Coupled with this week's signs of reductions in rates in the U.S. from their recent peaks, the situation has given rise to some speculation that the big clearing banks might be able to consider bringing their own base lending rates down from their current 11 per cent.

Against the background of the political issues raised by high interest rates, in relation particularly to the building societies, this would clearly be a popular move.

COMPANY NEWS + COMMENT

Homfray £0.97m. ahead at peak £2.81m.

A GROUP profit, before tax of £2.81m. is reported by carpet manufacturers Homfray and Co., for the 52 weeks to June 30, 1973, exceeding the £1.84m. reported for the previous 53 weeks.

Earnings per 25p Ordinary share are shown at 12.6p (8.6p).

Total dividend is raised from 25 per cent. to 26.25 per cent. with a final of 18.75 per cent. gross, or 13.125 per cent. net. The "A" Ordinary shares scrip issue relative to the 1973 final is at the rate of 5.048 "A" shares for every 100 "A" Ordinary held.

	52 wks 1973 £000	53 wks 1972 £000
External sales	24,513	19,697
U.K. carpet group	18,370	14,538
U.K. textile group	1,889	1,644
Aust. carpet group	4,274	3,195
Profit before tax	2,809	1,835
U.K. carpet	1,819	1,294
U.K. textile	81	*5
Australian carpet	909	546
U.K. tax	421	79
Overseas tax	453	249
Deferred tax	319	425
Attributable	1,616	1,082
Extraordinary credit	244	65
Preference dividend	5	7
Ordinary interim	65	97
Final	171	225

* Loss.

Accounts will be sent to shareholders on November 5. Meeting 12 noon November 28 at Halifax.

● comment

Homfray has stormed past unofficial half-time projections to leave annual profits ahead by 36 per cent. (after annualising the 1971-72 figures). However, a closer look shows that the U.K. carpet side managed growth of only 43 per cent., which is far from exceptional. The surprise in the results has been the 70 per cent. jump from the Australian operation, plus an £86,000 turnround to profitability by U.K. Textiles. The current year to date is running along much the same lines as a year ago, and the hope for Homfray must be that Australia—which is in an earlier stage of the carpet cycle—keeps up the good work and that the smoother operation of the new carpet printing machinery will soften the blow in the event of a drop in U.K. carpet demand. The shares at 85p (up no less than 8p last night), on a net p/e of 7.8, look in line with the rest of the sector.

INDEX TO COMPANY HIGHLIGHTS

the steady upward trend which gave the group a compound growth rate of 16½ per cent. for the previous five years. Profit margins have improved by almost 1½ points to 7.95 per cent., reflecting the group's efforts to dispose of its least profitable shops and acquire new ones. During the past year Forbuoy's opened and acquired 33 new shops and sold off 10 existing ones, bringing the total to 334. This policy is being continued in the current year—six new branches have been opened and four disposed off so far—and with sales currently around 18 per cent. ahead of the corresponding period, 1973-74 looks like being another growth year. But at 177p, the net p/e of 10.3 is not really reflecting either the strong growth record or the prospects.

Change Wares upturn

WIREMESH SPECIALISTS Change Wares has lifted pre-tax profits from £314,024 to £415,741 for the year to June 30, 1973. At half-way the pre-tax figure was £19,650 ahead at £201,300.

The final dividend is 2.24875p net—32.125 per cent. gross, against 30 per cent., raising the total from 42.5 per cent. to 44.625 per cent.

After tax of £194,082 (£133,624) net profit is £221,659 (£180,400).

Bernard Matthews downturn

TURKEY PRODUCERS, Bernard Matthews reports profits down from £409,000 to £274,000 in the 28 weeks ended July 15, 1973, on a turnover of £3.09m. (£2.05m.).

Chairman Mr. B. Matthews explains that of the many factors that affected the group, the most important was the price of feed which is now costing 70 per cent. more than it did at the beginning of the year. Short-term increases of this order in a commodity which accounts for more than 50 per cent. of production costs cannot be borne without a significant effect upon margins.

The group has also suffered an acute labour shortage which delayed the introduction of the new turkey meat products. In the circumstances he finds it impossible to forecast the year's outcome, but a further major increase in both production and sales is expected in the second half.

The interim dividend is 2.625p per share net—equal to last year's 3.75p gross. Ttotal for 1972 was 10p, paid on profts of £1.28m.

● comment

Bernard Matthews shares had slipped 28 per cent. this year but still lost a further 22p yesterday to 130p following news of a 33 per cent. first half shortfall in profits on a 50 per cent. jump in sales. Depressed profit margins reflect the rapid escalation in grain prices (feed stuffs represent some 50 per cent. of total production costs) and a limited rise in turkey prices. In the second half, grain prices will still be a problem but the general expectation is for some downward trend. This being so Matthews, now buying only 28 days ahead against the norm of nearly a year, should quickly feel the effects. In the meantime the company expects that the second half will top the 40 per cent. increase in birds sold during the first six months, while recent price increases should offset the higher production costs. So if there is no further upward movement in grain prices Matthews' is set for a much better second half in which case the shares on a net p/e of 8.9 (on past 12 months earnings) look due for some recovery.

Forbuoys makes and pays more

TWICKENHAM-based newsagents, Forbuoys, achieved profits, before tax, of £1,317,497 for the year ended June 30, 1973, an increase of £346,416 on last year's figure of £971,081. Earnings per 25p share are shown to have risen from 14.9p to 19.7p.

Turnover increased 20 per cent. from £14,693,094 to £17,624,977. The final dividend is 2.94p net, equivalent to 16.8 per cent. gross, and compares with 16 per cent. last year. This makes the total distribution equivalent to 28 per cent. gross as against an adjusted 26.66 per cent. last year.

The directors propose that the Ordinary 25p shares be subdivided into units of 5p each.

● comment

Forbuoys 1972-73 profits are up 36 per cent. before tax, continuing the steady upward trend (see above).

TPT lifts earnings: 5% interim

WITH SUBSTANTIAL advances in both British and overseas operations, record half-year sales of £6.1m., against £4.9m., and pre-tax profits of £1m., against £0.7m., are reported by TPT, paper tube manufacturers. And the directors expect satisfactory progress to be recorded for the full year—the 1972 total was £1.5m. Earnings per 20p Ordinary share are 3.1p, compared with 2.6p.

Chairman Mr. W. D. Grove says that profit margins in the U.K. were slightly lower, complying with legislation, but this was more than compensated by improvements overseas.

Customer demand continues "at a high level" in all markets, and production capacity is being increased at several factories, he tells members.

The interim dividend is raised from 4 per cent. to 5 per cent. gross, declared as 0.7p net. The 1972 total was 16.8 per cent. The chairman points out that the maximum dividend total under present legislation would be 17.64 per cent.

● comment

TPT has been on a profits plateau for the last 10 years, so the interim results—showing a 31 per cent. increase in pre-tax profits on a sales advance of 22 per cent.—represent significant expansion. Most of the impetus seems to have come from a very buoyant domestic textile industry, which takes around a half of the company's output of board products, with assistance from a marked improvement in overseas margins. Although the company should be able to double up first half profits, a prospective net p/e of 8.1 at 46p is asking for more evidence that growth can be sustained.

Lord Watkinson, chairman of Cadbury Schweppes, who announced yesterday interim profits up £3m. to £13.6m., with most of the growth coming outside the U.K.

DIVIDENDS ANNOUNCED

	Current payment %	Date of payment	Corresponding div. %	Total for year %	Total last year %
Cadbury Schweppes ...int.	2.63§	Jan. 2	3.75*	—	12.75*
Change Wares	32.13(n)	Nov. 24	30	44.63	42.5
Dejoo Tea	10.71(j)	—	10	15.71	15
Delta Metal ...int.	1.65†(d)	Jan. 7	1.58	—	3.68
Dickinson Robinson ...int.	1.75†§	Nov. 6	2.5	—	7.14
Doolahat Tea	5.25†§	—	7.5	10	10
English and Caledonian Investment ... int.	0.93†(o)	Nov. 16	0.88	—	2.5
Andrew R. Findlay	0.5†(m)	Jan. 31	—	—	—
Forbuoys	16.8(y)	Nov. 15	16*	28	26.66*
Gen. and Commercial Invest ... 2nd int.	4(aa)	Nov. 1	10.25	—	16.25
Stanley Gibbons ...int.	5.71(b)	—	3	—	12
Harmutty Tea	5(p)	—	11	10	16
Norman Hay ...int.	7§	Oct. 30	10	—	22½
Homfray	18.75(r)	Nov. 30	17.5	26.25	25
Hunt and Moscrop	10.94(q)	—	10	19.69	18.75
Liberty ...int.	10½(x)	Nov. 15	10	—	27½
Lyon and Lyon	0.87§†	Jan. 3	1.25	—	2.5
Alfred Marks Bureau int.	14.6(g)	Jan. 4	12.5	—	42.5
Bernard Matthews ...int.	2.63†§	Jan. 3	3.75	—	10
Mendip Invest.	0.57†(h)	Oct. 26	0.5	—	1.3
Ozalid ...int.	2.88†(a)	Jan. 8	2.75	—	6.83
Refuge Assurance "A" int.	2.8†§	Jan. 4	4	—	16
Refuge Assurance "B" int.	1.4†§	Jan. 4	2	—	8
Roan Cons. Mines	0.96†(bb)	Oct. 26	0.45	1.86	1.23
Selincourt	0.47†(f)	Nov. 23	0.45	—	0.95
Charles Sharpe	17.43†(s)	Nov. 20	18	21.28	22(t)
Stewart and Wight	16.24(c)	Oct. 1	15	26.24	25
J. and C. Sturge ...int.	5.6§	Jan. 3	8	—	18.9
T.P.T. ...int.	5(w)	Jan. 2	4	—	16.8
Thomson Org. ... int.	2.46†	Dec. 20	2.14*	—	6.3*
Thomson T-line ...int.	3.93†	Jan. 8	3.75	—	7.5
UU Textiles	29.5(z)	Nov. 9	27.5	42	40
Universal Grinding ...int.	8.5(u)	Jan. 2	8	—	21
George M. Whiley ...int.	†1.75§	Jan. 3	2.5	—	6.56
Winsor and Newton int.	11.42(k)	Jan. 10	11	—	32.43

* Equivalent after allowing for scrip issue. † Pence per share. ‡ On capital increased by rights and/or acquisition issues. § Net—equal to last year's gross. (a) Gross of 2.02p. (b) Gross of 1p. (c) Gross of 11.37 per cent. (d) Net. (e) Gross of 1.72p. (f) Gross of 0.33p. (g) Gross of 1.023p. (h) Gross of 0.4p. (j) Gross of 7.5 per cent. (k) Gross of 8 per cent. (m) Net—as forecast in June Prospectus. Total 1.3125p net then foreshadowed. (n) Gross of 2.24875p. (o) Gross of 0.65p. (p) Gross of 3.5 per cent. (q) Gross of 7.65625 per cent. (r) Gross of 13.125 per cent. (s) Comprising gross 06600th 2.7p final plus 9.5p bonus. (t) For 13 months. (u) Gross of 5.95 per cent. (v) Gross of 5.607p. (w) Gross of 0.7p. (x) Gross of 7.35p. (y) Gross of 2.94p. (z) Loss of 20.65 per cent. (aa) Gross of of 2.8 per cent., making total so far 6 per cent. gross. (bb) In Zambian currency—equal to K0.528 net, making K1.023 net of Zambian tax.

Cons. Tin writes off £7.68m. losses

THE DELAYED preliminary accounts of Consolidated Tin Smelters show an increased profit of £4,341,000 for 1973, against £48,000 for 1971, excluding the tin smelting subsidiary Williams Harvey and Co. Turnover was down from £313.16m. to £293.08m.

An estimated loss on liquidation of Williams Harvey of £7,676,000 is written off. It is not possible, at present, to determine whether any further write-off will be necessary or whether some part of the estimated losses will be recovered, the directors state.

As before there is no Ordinary dividend. Earnings per £1 unit, before extraordinary items were 37.6p (loss 23.2p) and after such items there was a deficit of 145.5p (14.2p).

	1972 £000	1971 £000
Group turnover	293,084	331,157
Profit	*4,341	488
Taxation	1,626	1,492
Minority interest	1,141	†193
Attributable	1,574	†811
Extraordinary debits‡	7,676	—
Other incomes§	491	351
Deficit	5,611	460
Preference dividends	98	98
Group reserves	3,245	9,693

* Excluding Williams Harvey. † Loss. ‡ Estimated loss on liquidation of Williams Harvey, including trading losses for 1972 and 1973. § Exchange rate adjustment, etc., less tax and minorities.

The company also announces a first-half 1973 turnover of £155.52m. (£140.91m.) and a pretax profit of £2.21m. (£1.21m.). There is no Ordinary interim dividend.

By the scheme of arrangement which became effective on July 31, 1973, the CTS Group increased its holding in British Amalgamated Metal Investments for cash, from 79.44 to 100 per cent.

Profits of the trading and industrial subsidiaries were satisfactory, particularly those of AMC.

However, profits arising from sale of investments are drastically reduced as a result of disappointing performance in adverse market conditions of BAMI (excluding AMC) and its wholly owned subsidiary Hardwicke Investment Corporation and the absence in the current period of profits on sales of tin shares by Sharikat Eastern Smelting.

	Six months 1973 £000	1972 £000
Group turnover	155,519	140,910
Trading profit	1,585	581
Investment income	621	629
Pre-tax profit	2,206	1,210
Taxation	761	537
Minorities	798	356
Net balance	647	317
Loss on sale of invests.	168	*1,115
Taxation	109	281
Minority loss	62	*366
Balance	432	885

* Profit.

Statement Page 16

AMAL. METAL

REFLECTING a "significant" improvement in metal trading conditions over the past few months, group pre-tax profit of Amalgamated Metal Corporation improved from £504,000 to £1,530,000 for the half-year to June 30, 1973. The figure for the year 1972 was £674,000.

Markets are still buoyant and satisfactory profits for the year are anticipated, says the chairman, Mr. E. R. E. Carter.

When the results are available the directors intend to propose an increase in the Ordinary dividend, the chairman adds. An interim of 2½ per cent., in lieu of a final, was paid for 1972.

Consent to an increase would be applied for based on the fact that the profits have recovered to a higher level after an exceptionally poor period.

But the directors shall conform with the intention expressed by Sir Paul Benthall in his chairman's statement for 1969 of retaining a greater proportion of profits in good years with the object of increasing the company's rate of growth, Mr. Carter says.

	Six months 1973 £000	1972 £000	Year 1972 £000
Group turnover	128,000	96,000	194,000
Profit before tax	1,530	504	674
Taxation	*390	175	237
Net profit†	1,140	329	437

* Reduced by £290,000 due to previous year's loss. † Before extraordinary items.

Patino N.V., is the ultimate holding company of both Amalgamated Metal and Consolidated Tin Smelters.

Stanley Gibbons

Group profits of Stanley Gibbons International expanded from £60,163 to £143,194 in the six months to June 30, 1973, on an external turnover up £574,190 to £2,074,290.

An interim dividend of 1p net per 25p share—equal to 5.71 per cent. gross (3 per cent.) is declared. A gross total of 12 per cent. for the year 1972 was paid from a profit of £248,794.

Chairman, Mr. A. L. Michael, says the more than doubled first half profit is due to a steadily increasing interest in stamps taken by collectors and investors. But he does not necessarily believe that the same proportions of increase in business will apply to the balance of trading, although at present business continues at a most satisfactory level.

During the period Stanley Gibbons Products acquired a 100 per cent. interest in the Birmingham Envelope Company, and a group marketing scheme for the two companies is being worked out.

A substantial acquisition overseas is likely to come to fruition in the near future.

ISSUE NEWS AND COMMENT

Requotation for David Dixon

Application has ben made for the listing of David Dixon's Ordinary capital, consisting of £511,482 in 25p shares, and £54,770 6 per cent. Cumulative Preference Shares of £1 each.

Dealings in Dixon were suspended at the beginning of this month pending the publication of full details concerning the acquisition of Minard Knitting and Scholarsville from Bank Bridge Securities.

Dixon carries on the business of woollen and worsted cloth manufacturers and merchants, dyers and finishers. Its subsidiary, Deacon and Smith, trades as manufacturers of mens half hose, ladies stockings, childrens socks and three quarter hose.

Minard manufactures a wide range of socks, stockings, tights and briefs while Scholarsville is a manufacturer of high speed warp and weft fabric.

Profits of Dixon and its subsidiary have moved from £85,500 in 1968-69 to £90,200 in 1972-73 after a peak of £106,000 in 1970-71. Over the last five years profits at Minard have increased from £111,000 to £291,000 after a peak of £373,000 in 1971-72. During the same period Scholarsville has been on something of an earnings plateau with profits moving from £25,000 to £23,000. No profits forecast has been given for the enlarged group in the current year.

Brokers to the reintroduction are Mitton Butler Priest and Co. Dealings are expected to re-start on Friday October 5.

● comment

The acquisitions from Bank Bridge represent the first steps of the new management's aim to build David Dixon into a diversified textile group with profits of £1m. plus. Dixon, short of earnings, needed a sizeable injection of profits to form a useful base for this planned expansion. Minard, in particular, serves just this purpose but the group as a whole still looks short of growth potential. The original concern enjoyed a good year last time with strong demand for wool products and the possible stock profits resulting from rising raw material prices. But this windfall may be lost in the current year now that wool prices have settled at the higher levels. As to the two newcomers, Scholarsville is hardly a growth situation while Minard is liable to violent fluctuations in profits. So a net historic p/e of over 15 for the enlarged group at the suspension level of 150p looks short of support even allowing for the plans.

Prospectus Pages 19-21

Thomson T-Line sees record year

REPORTING a "most favourable increase" from £154,498 to £264,344 in group taxable profits for the first half, the directors of Thomson T-Line Caravans anticipate, subject to unforeseen developments, that results for all of 1973 could be a record. The profit for 1972 was £285,901.

The interim dividend is 3.925p (3.75p). The previous total was 7.5p.

After tax £121,461 (£61,568) net profit is up from £92,930 to £142,883.

The directors state that the Canadian venture is not yet trading profitably but all other subsidiaries have returned improved results.

Bantaskin Investments, holders of 673,868 shares, have waived rights to the interim on 600,000 shares.

Incledon & Lamberts

Provided there are no exceptional problems the directors of Incledon and Lamberts are satisfied that the current year group turnover, both in home and export markets, will be in excess of that for 1972-73.

It is reasonable to suppose that profits will follow turnover and show an increase, although they stress that at present the group is not able to recover all of the constantly rising costs.

As reported September 12 group profit, before tax, increased from £400,688 to £483,465. The directors feel the results are particularly gratifying bearing in mind the restructuring of the group including closure of the West Drayton factory and the expansion of the Norton Canes premises.

The problems caused by the closure and the building work have now been overcome.

Meeting Birmingham, October 18 at 2.15 p.m.

U.U. Textiles makes £0.22m.

On turnover up from £1.68m. to £2.77m., group profit, before tax of U.U. Textiles improved from £205,308 to £221,608 for the year ended April 28 ,1973 after a rise from £91,000 to £96,238 at midway.

Adjusted earnings for 10p Ordinary Shares are shown as 8.24p (8.03p) and 1973/74 is expected to show an increase in earnings per share resulting from a very substantial increase in profits.

The final dividend is 20.65 per cent. to net, equal to 29.5 per cent. gross making 42 per cent (40 per cent.). A one-for-one scrip issue and a group executive share option scheme are also proposed.

The profit is subject to tax £59,361 (£84,869). The retained figure is £74,289 (£61,713).

The directors state that profits include no contribution from Sidroy acquired since end of financial year. The increase in profit is considered satisfactory in the light of the considerable group reorganisation necessary following the acquisitions of Junitex and Sirela.

The group has established a sound and wide trading base from which considerable further expansion will derive.

lta Metal looks over £25m.

RE-TAX profit for 1973 of £25.2m., compared 1m. for 1972, is forecast elta Metal Company.
s of £134m., against st half pre-tax profit from £9m. to £12.64m., airman, Viscount Caldelently forecasts second "at least as good as he first half." Earnings six months were 5.5p share.
rts that demand for the products (building, equipment, engineering ts and non-ferrous emains strong, and the expect this to continue 1974.
rim dividend of 1.65p p) per 25p share is The 1972 net total was

	Half-year 1973 £000	1972 £000	Year 1972 £000
....	134,000	96,000	198,000
...fit	12,987	9,155	19,372
...mpanies	1,577	1,164	2,608
...st inc.	23	47	197
...paid	1,945	1,360	2,836
...e tax ...	12,642	9,006	19,342
....	5,474	3,662	7,817
...lders ...	1,081	716	1,409
....	6,087	4,688	10,116
...dividends	1,818	1,678	3,816

...epreciation £3.93m. (£2.61m. for year).

...ures exclude those from profits amounting to (against £370,000 and or the year) or £1,710,000 and £326,000) after tax. ot the practice to deal al profits and losses until end when the amount (if e transferred to or from ce contingency reserve is The reserve, at present, to £1,226,000.
U.K. demand was buoyant livisions were very busy, d Caldecot.
as profits also were much with excellent results h Australia and Africa,

ing current year acquisihe U.K.—Aerialite, Smith is and D. F. Taylor—he t from Aerialite they are g satisfactory profits. ccounts of Aerialite for to May 31, 1973 are not plete but it is clear that ll be a substantial shortn the profit forecast of for that year, made e acquisition in February. ropriate allowance has de in the group results. ys the two European ns—Etablissements Sour- France and Zulauf Gmbh ny—are important steps mpany's European plans, directors are confident make a useful contribuprofits.

atement Page 28

See Lex

Leadbeater disclosed arrangements to acquire "substantial" freehold accommodation in central Bradford, and the opening of new depots since the end of the financial year. He also said that trends, on which earlier forecasts of "substantially higher profits" for the current year had been made, could be confirmed.

The two depots, in Liverpool and Coatbridge, near Glasgow would be profitable within the current year with more significant contributions in 1974/75 and beyond, he stated.

LRC International—Sir Edward Howard told holders that a very good start had been made to 1973/74 with sales so far well up on the same period in the previous year.

ports to ual etings

llowing are extracts from 's reports to some of the eetings held yesterday.
Paper Company—Mr. M. aid that the Lanarkshire Council, after a public had agreed to purchase n acres at Rutherglen, y the company and earby the council for y construction. The coun- agreed to consider g the limitations which it ached to a further six n order that the ground commercially usable.
(Holdings)—Mr. E. W. eported favourable trends ds progress in the year so ough the counter-inflation as obliged the company orb considerable cost be confidently expected st-half profit would be 00,000 more than in the ble period last year.
nd globally for group prontinued at an encourag- l. Orders on hand now £4½m. and some 50 per group sales was now overseas outlets.
r as it was possible in onomy buffeted by the f international speculation itical dogma, we can as of iew the prospects of the y with modest optimism," ared.
Firth (Metals)—Mr. G. M.

Chas. Sharpe £250,000 profit rise

SEED GROWERS and merchants Charles Sharpe has produced a pre-tax profit of £679,274 for the year to June 30, 1973, compared with £429,497 for the previous 13 months.

The final dividend is 2.7p net making the total 5.4p net, and there is a bonus of 9.5p net. Last time the final dividend was 4p gross, making the total 8p, with a 14p gross bonus.

Tax takes £318,555 (£173,103)

Universal Grinding upsurge

FULLY CONFIRMING the improving trend indicated in April, taxable profits of Universal Grinding expanded by 91 per cent. to £1.8m. in the half-year ended June 30, 1973.

Barring undue restraints under Phase Three, chairman Mr. B. G. Ball-Greene believes that the full results will be in line with the half-year's, with further growth to come in 1974 from both existing and additional areas of business.

Annualised earnings for 25p share are stated at 9.1p (5.1p) actual; and 9p (5.2p) after loan stock conversion.

The chairman reports that all divisions experienced a strong upturn in home business and all showed a marked increase in exports, while the diamond merchanting activity has been further developed in line with buoyant world demand.

The interim dividend is 5.95 per cent. net—equal to 8.5 per cent. gross (8 per cent.). The 1972 total was 21 per cent., paid on profits of £2.04m.

	First half 1973 £000	1972 £000
External turnover	12,457	11,372
Trading profit	1,798	950
Share Associates	142	107
Investment income ..	3	8
Loan interest	136	126
Profit before tax	1,807	948
Taxation	890	431
Net profit	917	517
Minorities	106	66
Attributable	811	451
Dividends	270	350

Regarding the group's plans for continued expansion, the chairman reports progress in several directions.

● comment

Universal Grinding has achieved a strong recovery in the first six months of 1973, increasing profits by more than 90 per cent. on a sales rise of just 16 per cent. There has been a general upturn in demand, particularly from the steel industry, but the recovery probably owes more to the recent reorganisation and introduction of new management. There is nothing at the moment to suggest that the second half will not be as profitable as the first; and the group's plans to expand overseas in a big way must enhance its prospects beyond the current year. Taking the group's 47½ per cent. tax charge (on doubled first-half profits) puts the shares at 100p on a prospective fully diluted p/e of 11¼, which looks on the low side.

DRG £2.6m. lift at halfway

PAPERMAKERS AND PRINTERS Dickinson Robinson Group has lifted pre-tax profits from £6.4m. to £9m. for the half year to June 30, 1973, on external sales increased from £75.7m. to £91.7m.

And although some shortages of labour and materials are developing the second half should see a further sales increase with a comparable growth in profits, the directors state.

The interim dividend is 1.75p net, maintaining the equivalent of last time's 2.5p gross. The 1972 final dividend was 4.643p making a total of 7.143p paid on a pre-tax profit of £14.9m.

	Half-year 1973 £000	1972 £000
Group turnover	109,542	90,278
External sales	91,730	75,739
Trading profit	9,606	6,626
Papermaking, etc., U.K.	6,673	4,958
Papermaking, etc., o'seas	2,514	1,671
Engineering	419	189
Exceptional credits	299	460
Share of associates	122	102
Investment income	253	107
Loan interest	783	783
Other interest	425	274
Profit before tax	9,072	6,448
Tax	3,896	2,575
Net profit	5,176	3,665
Minorities	348	225
Attributable	4,828	3,640

Mr. J. F. Robinson, chairman, tells mmebers that the high level of activity reported in April has continued throughout the U.K. companies. The increase in sales more than offset certain costs it is not permitted to recover under the Government's counter inflation programme. The sales could not have been achieved without the new capacity resulting from the plant investment programme of recent years and it is essential that profits increase to provide the funds to maintain this programme.

The Croxley Transcript project is now making a good contribution and DRG Cups while still trading at a loss has shown a marked improvement, he adds.

Overseas companies had a successful first six months. In Australia results are improving and although a small loss was incurred, there should be a return to profitability in the second half.

See Lex

Ozalid up up £0.6m. at midway

ON TURNOVER up from £22.4m. to £28.1m. first half group profit, before tax, of Ozalid Group Holdings advanced from £2.71m. to £3.31m. For the previous year the taxable profit was £5.79m.

Earnings per 25p Ordinary share are shown to have increased from 6.95p to 7.4p (15.1p for the previous year).

These results do not include any contributions in respect of the Hughes-Owens Co, Canada and Ozapaper, Australia and of disposals during the period, it is stated.

Chairman Mr. N. J. Kiely states that business overall continues at a very high level and the directors are confident that they will be able to show good results for 1973 as a whole.

An interim dividend of 2.02p net is declared, equal to 2.88p gross (2.75p). The total for 1972 was 6.83p.

	First half *1973 £000	1972 £000	Year 1972 £000
Turnover	28,100	22,400	46,600
U.K.	16,000	13,200	26,300
Exports	2,700	1,800	3,900
Sales overseas .	9,400	7,400	16,400
Trading profit	3,590	2,790	6,245
Loan & bank int....	281	82	457
Profit before tax ...	3,309	2,708	5,792
Tax	1,548	1,097	2,318
Minorities	46	18	25
Net profit	1,715	1,593	3,448

* Does not include any contribution in respect of Hughes-Owens and Co., Canada, and Ozapaper, Australia, and of disposals during the period.

Additional turnover from acquisitions is reflected in the continued upsurge in sales and a concentrated drive to improve profitability ratios in line with the group average is progressing well the chairman says. The first part of the programme to establish marketing outlets in the principal areas of the world is nearing completion. New production plant and machines are in operation or in the course of installation. Product lines that carry only low margins of profit are being replaced, or upgraded.

Mr. Kiely goes on to say that selling prices of the main products have not been increased in the U.K. since January 1, 1972.

Costs have risen, but the aim is to absorb these by greater efficiency in operations. However, the time must soon come when, in some measure they must be passed on to customers in higher selling prices.

In the overseas companies considerable progress has been made in expanding the range of their products and improving levels of profitability.

The group has recently acquired a 49 per cent. interest in Lemac Empreendimentos S.A., a substantial Brazilian family company in the reprographics field. It is also extending interests in France and has attained 100 per cent. ownership of its Swiss subsidiary.

On group structure, Mr. Kiely says, the re-structuring proceeded during 1972. The next move is divisionalisation under which all the main manufacturing and trading companies in the U.K. become divisions of the one company—Ozalid Group Holdings—although they retain their separate identities for trading purposes.

● comment

Ozalid is holding on to the faster rate of profits growth attained in the second half of 1972 when it notched up 22 per cent. pre-tax after a sequence of half-yearly rates stretching back to the start of 1971 of 14, 13 and 15 per cent. Sales so far this year are higher by a quarter so margins are still under some (if less) pressure. But the real significance of the volume figures is the way the non-U.K. content has produced most of the impetus, with exports and overseas sales raising their contribution to the total by a tenth or so to 43 per cent. For the full year something like £7m. may be a fair pre-tax target in which case the prospective (and fully diluted) p/e at 219p is not quite 10 net. That looks a suitable commentary on Ozalid's quality status.

Statement Page 32

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TODAY

Interims—Aberdeen Construction, Beatson Clark, Economic Insurance, H. Goldman, Hoskins and Horton, Royal Sovereign Pencil, Shipping Industrial Holdings, Wettern Bros.

Finals—A. D. N. Business Systems, Adwest Group, Anglo-Thai Corporation, *Renong Tin Dredging.

FUTURE DATES

Interims—	
Altifund	Oct. 3
Ayrshire Metal Products	Oct. 30
Bate (William)	Oct. 10
Bronx Engineering	Oct. 18
Compton (J.) Sons and Webb	Oct. 10
Hunting Gibson	Oct. 3
Mono Containers	Oct. 1
Stanwood Radio	Oct. 3
Trust Union	Oct. 24
Uttley (William)	Oct. 1
Finals—	
Beckman (A.)	Oct. 3
Glaxo	Oct. 8
Kunick (Philip)	Oct. 3
London Merchant Securities	Oct. 4
Lyles (S.)	Oct. 9

*Amended.

Liberty's first half growth

IN THE OPINION of the directors of Liberty and Co. it is likely that current year group profits will be in excess of those of the £464,000 for the year to January 31, 1973.

They announce first-half profit up from £116,000 to £231,000 on sales up from £2,422,000 to £2,872,000, including £147,000 VAT.

Earnings are up from 15.3p to 29.9p per £1 share. An interim dividend of 7.35p net—equal to 10.5p (10p) gross—is declared. The 1972-73 total was 27.5p.

Net profit for the half-year was £123,000 (£70,000) after tax of £108,000 (£46,000). The company deals in carpets and fabrics, etc.

ECENT ISSUES

EQUITIES

Amount Paid Up	Latest Renunc. Date	1973 High	1973 Low	Stock	Closing Price p	+ or −	Div. Amount	Times Covered	Gross Yield	P/E Ratio
F.P.	—	140	120	BG. Securities (50c)	120	−5	r15	1.6	6.6	9.7
F.P.	—	£24¼	£21¾	Bank America Corp. ($5)	£24	−¼	$1.16	—	1.6	—
F.P.	—	148	125	Beazer (C.H.) 10p	148	−1	b4.63	2.1	6.0	10.9
F.P.	—	£15	£13	Bell & Howell	£13	......	84c	—	1.9	—
F.P.	—	[illegible]	45	[illegible]	56	−2	g4.65	T1.7	8.9	6.6
F.P.	—	£27½	£26½	Cie Francaise Petroles 'B'	£25⅞	...	—	—	—	—
F.P.	—	67	60½	James Austin Steel	65½	−1½	4.14	2.4	7.6	7.9
F.P.	—	63	53	Jones Group 10p	59	......	4.61	1.6	5.2	—
F.P.	—	98	92	Overstone Invt (2cts)	98	......	—	—	—	—
F.P.	26/10	165	154	Prince of Wales (S'port)	154	......	49.5	3.1	2.2	20.2
F.P.	—	£35⅝	£33⅝	Richardson, Merrell	£33⅝	......	$1.05	—	1.8	—
F.P.	—	£14¼	£11¼	TRW ($1.25)	£14¼	−¼	$1.01	—	2.5	—
nil	—	65	20	Town & City war. [illegible]	55	+5	—	—	—	—
F.P.	—	66	44	Wearwell (5p)	66	......	4.5	1.7	5.3	15.7

FIXED INTEREST STOCKS

Amount Paid Up	Latest Renunc. Date	1973 High	1973 Low	Stock	Closing Price	+ or −
F.P.	—	73p	67p	Boulton (Wm.) 8½% Cum. Red. Prf.	67p	......
F.P.	—	99½	96	Carding Invs. 9½% Gtd. Cnv. Uns. 1995	96	......
F.P.	26/10	105	92	East Anglian Water 7% Red. Prf. 1978	92	−10
[illegible]	[illegible]	[illegible]	[illegible]	[illegible] Invs. [illegible] Uns. [illegible]	91	+1¼
F.P.	26/10	103	93	Hartlepools Water 7% Red. Prf. 1978	93	−10
F.P.	—	$100½	$100½	Lancs. O.C. 8¾% US$ Bds. 78-81	$100½	......
F.P.	18/10	103¼	95	Lloyds Bank 7¾% Cnv. Uns. Sub. Ln. 1984	103¼	+1½
F.P.	2/11	91	90½	Midland Bank 10¼% Sub. Ord. Uns. 93/98	90¾	......
F.P.	2/11	97¼	90¾	Do. 7½% Cnv. Sub. Ord. Uns. 83/93	97¼	+1½
F.P.	19/10	93¼	92½	Rickm'nsw'th & Uxb'dge Water 7% Red. Prf.	92½	......
F.P.	—	80¼	78	Rolls-Royce Motors [illegible] Cnv. Uns. Ln. [illegible]	79	−1
£25	23/11	30	25½	Tower Assets 10% Conv. Loan 19..	26	......

"RIGHTS" OFFERS

Amount Paid up	Latest Renunc. Date 1	Latest Renunc. Date 2	Stock	Closing Price p	+ or −
nil	—	—	Argo Invs.	42pm	−2
F.P.	7/9	12/10	Chambers & Fargus	28	......
F.P.	21/9	19/10	Heath... Brick	73	......
F.P.	11/9	18/10	...Holdings (Whitworth)	13	......

...nunciation date usually last day for dealing free of stamp duty. a Placing ...to public. b Figures based on prospectus estimate. d Dividend rate paid or ...le on part capital; cover based on dividend on full capital. p Pence ...s otherwise indicated. ‡ Figures based on prospectus or official estimates for ... P Figures based on prospectus or other official estimates for 1971. T Figures ...ned. ‡ Cover allows for conversion of shares not now ranking for dividends or ...ng only for restricted dividends. ¶ Issued by tender. ‡ Offered to holders ...dinary shares as a "rights." ● Issued by way of rights. ‡ Rights by way ...italisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection ...reorganisation, merger or take-over. ♣ Introduction. ● Issued to former ...ference holders. ‡ Allotment letters (or fully-paid). ▼ Provisional or partly-paid ...ment letters. § With warrants.

BIDS AND DEALS

Tunnel Cement deal not full takeover

After rising more than 30p in a fortnight, Tunnel Cement shares fell back 11p to 203p yesterday when the company said the acquisition by an unnamed party of a 26 per cent. stake did not indicate a full take-over bid.

The stock market has been confidently expecting an offer when it became clear that the Danish F. L. Smidth cement combine wanted to dispose of its interest. Originally, Tunnel was a subsidiary of the Danish company.

Tunnel's chairman, Norwegian Mr. Carl Hagerup, said his Board was "aware that negotiations are well advanced" for Smidth to sell its holding "to a third party on terms which will not result in a general offer being made."

Mr. Hagerup commented last night that his company was aware of the identity of the third party. Details would be given in another statement due to go out "in a few days."

It had been suggested in the market that Redland, the building materials group, was interested in the Tunnel situation, but a spokesman ruled this out: "We haven't contemplated a bid and we are not buying the shares."

BIBBY SALE TO REALISE £9M.

The Italian Industrie Buitoni Perugina group is to pay £9m. for the grocery interests of Liverpool-based J. Bibby, it was announced yesterday.

The cash sum is based on £7.5m. for the assets involved and £1.5m. for goodwill. The sale was first announced at the end of last month, and Bibby stated yesterday that it was hoped to complete the deal on November 3.

The grocery products division sells and distributes oil-based products manufactured by the edible oils division of Bibbys under the brand names TREX, TREX OIL, SPREAD 'N FILL and CIDAL, and also comprises the spreads manufacturing and canned goods company "Princes" Foods. The division also includes two subsidiaries of "PRINCES" Foods, Horrocks and Watson (Springfield) and Abbey Foods (Liverpool) Limited, and the overseas marekting company Bibby (Nederland).

The assets involved comprise principally the current assets of the above businesses; the fixed assets include the spreads factory at Southport and a leasehold warehouse at Huyton.

Bibby said proceeds of the sale will be invested mainly in activities related to agriculture of the type now undertaken by the feeds and seeds and farm products division with the object of strengthening competitive position and increasing their market share. These two divisions together contributed 42.2 per cent. of the group's trading surplus in 1972.

VAVASSEUR EXPANDS IN HOLLAND

J. H. Vavasseur's subsidiary in the Netherlands is expanding its interests with two deals involving the equivalent of £3.69m.

It is paying DFl.11.5m. (around £1.85m.) for the van Zadelhoff group, estate agents, partly in cash and partly in new shares of the subsidiary which is changing its name to Beheer An Exploitatiemaatschappi Vavasseur Nederland (BEM).

Also included in the price are some properties owned by Dr. C. van Zadelhoff who owns 30 per cent. of the van Zadelhoff group with Anglo-Continental Investment and Finance controlling the other 70 per cent.

Anglo-Continental is also involved in the second deal. The Vavasseur subsidiary will pay DFl.11.25m. (around £1.84m.) for De Occidentale Bank of Amsterdam, a bank with a seat on the Amsterdam stock exchange.

Again the consideration will be partly cash and partly shares with the result that Anglo-Continental will end up with a significant shareholding in the Vavasseur subsidiary.

In addition, about D.Fl.2m. (£328,000) of new capital will be injected into the bank by Vavasseur's offshoot. Vavasseur will also arrange for greater public participation in its subsidiary.

CHRISTOPHER MORAN

Christopher Moran Holdings has agreed to acquire the Ordinary capital of Harman Hedley Agencies for £200,000 in cash and up to £1.05m. in shares to be issued on a deferred basis. Additions to the Boards of both companies will be announced in due course. The Committee of Lloyd's has given necessary approval.

GRIFFITHS BENTLEY

A Boardroom reconstruction involving a chairman who is "an industrialist of distinction" and a dividend increase from 1.25p to 1.75p a share is promised by Mr. Stephen Proctor, managing director of Griffiths Bentley, in a letter opposing the £16.5m. bid from Bristol Street Group.

Mr. Proctor, the only member of the GB Board to reject the offer, describes it as "totally ill-conceived and extremely damaging to your interests. It is an opportunistic reverse takeover bid where Boardroom control would pass to BSG whose record speaks for itself."

In his letter Mr. Proctor maintains GB has a better record and better prospects than BSG. He has obtained from the Treasury confimation that, if the offer is rejected (but only in such circumstances) gross dividends of 1.75p a share could be paid to GB holders.

The revitalised GB Board would contain a new chairman and new non-executive director as well as members of the present GB divisional management. The names of the new chairman and non-executive director will be revealed "at the appropriate time."

Mr. Proctor also insists that, far from offering commercial gains, a merger with BSG could "seriously prejudice" GB's commercial prospects. He maintains that GB shareholders are being offered "an equity stake in a company which has failed to achieve any significant growth and is now stagnating."

On the financial side, whereas GB's borrowings of £6.25m. are roughly equal to its net assets (£5.2m.), BSG's borrowings, if the offer is implemented, are likely to be more than three times net assets, claims Mr. Proctor.

At a Press conference yesterday Mr. Proctor also claimed that many of the senior employees of GB were against the bid.

The management of the operating companies within GB would not be changed if the bid were rejected but the Board needed rejuvenating. It would be up to the present main Board directors to decide their own course of action if the bid failed.

Mr. Proctor said there would be no point in personally buying shares to support his views because "I could not afford to buy the large numbers necessary to influence the outcome of the bid."

If BSG increased its offer he would have to look at it. But one problem with the present bid was the lack of cash involved and the difficulty in valuing the BSG shares.

See Men and Matters

SHARE STAKES

Ralli Securities Trust has acquired a further 12,500 Bestwood Ordinary shares, making total holding 417,500 shares.

Interests of Slater Walker Securities and its subsidiaries, together with investment trusts, etc., in WGI on September 12 totalled 448,500 Ordinary shares (13.20 per cent.).

Jessel Securities through certain of its subsidiaries has purchased a further 20,000 Ordinary shares and 10,000 Preference shares in Johnson Group Cleaners, making total holding 2,082,340 Ordinary shares and 65,000 Preference shares.

Interests of Slater Walker Securities and its subsidiaries together with investment trusts, etc., on September 11 in Dubilier totalled 3,303,378 Ordinary shares (15.16 per cent.).

R. Wylie Hill has been informed by Peldayn (Holdings) it has acquired a further 20,900 Ordinary Stock Units of Wylie Hill. Peldayne's holding is now 302,750 Ordinary units, which represents 14.84 per cent. of the capital.

HACKNEY & HENDON MERGER

After a day of mounting speculation that a deal was in the wind between Hackney and Hendon Greyhounds and G. and W. Walker, the catering and leisure concern created by former boxers George and Billy Walker, the Boards announced merger terms had been agreed in principle.

Hackney and Hendon, which has spread its interests into casinos, property and garages, will offer terms valuing Walker at £2.8m.

Hackney will issue 2m. of its Ordinary and pay £300,000 cash for Walker and because of the size of the deal has asked for its share quotation to be suspended.

Before news of the proposed merger yesterday the Hackney shares had risen 12p to 125p on rumours that a property group was building up a stake in the company.

Walker is a public but unquoted company which last financial year made pre-tax profits of £103.508 compared with the £127,643 Hackney made in its latest financial year.

TAYLOR WOODROW

TAYLOR WOODROW has, with a subsidiary, acquired the capital of A. & S. Andrews which has the Ford Main dealership for Ealing and other parts of West London and a general garage business, including car hire. Consideration totalled £392,254 made up of 59,640 Ordinary shares of Taylor Woodrow and £93,142 in 9 per cent. Loan Notes 1983 of a subsidiary plus £123,174 in cash.

MILES DRUCE

A.G. McFadden Metals, a member of the engineering services division of the Miles Druce group, has by arrangement with Scott Lithgow acquired the oil suction and discharge hose coupling production facilities and know-how from Mitchell Swire, of Greenock at a cost of £60,000 cash.

The move reflects Miles Druce's expanding interest in the oil and petrochemical industries and further contributes to its growing range of services to offshore oil operations.

ESPERANZA TRADE

Esperanza Trade and Transport is to acquire Consultox Laboratories for £233,801 paid by the issue of 236,161 Ordinary shares of Esperanza. An additional amount of up to a maximum of £200,000 may be payable in cash or shares of Esperanza depending on future profits of the business over the next three years.

Net tangible assets of Consultox and its subsidiaries at December 7, 1972 were £60,000. Pre-tax profit, after charging directors remuneration at a level that has been agreed for the future was £41,000.

MORGAN-GRAMPIAN

Morgan-Grampian is purchasing the monthly magazine Livestock Farming through the acquisition of Alan Exley, a private company controlled by Mr. Alan Exley. Consideration will be in cash.

Mr. Exley will buy back certain assets of the company unrelated to Livestock Farming, including the title and goodwill of Horse World and Pony Express.

Livestock Farming will become part of Morgan-Grampian Professional Press.

FINLAY MERGERS

James Finlay has agreed merger terms with four companies with which it has had long past associations: Teith Holdings; Consolidated Tea and Lands; Cessnock Holdings; and West Nile Holdings.

For each £1 of 3.5 per cent. Preference stock of Teith will be issued one 4.2 per cent. second preference share of Finlay. For every £100 Ordinary stock will be issued 85 Finlay Ordinary.

For each £1 of 3.5 per cent. first preference stock of Consolidated will be issued one 4.2 per cent. second preference share of Finlay. For each £1 of 4.9 per cent. second preference stock will bze issued on 5.9 per cent. second preference of Finlay. For every £100 Ordinary stock 45 Finlay Ordinary.

For each £1 of 4.2 per cent. preference stock of Cessnock will be issued one 5 per cent. second preference share. For every £100 of Ordinary stock will be issued 38 Finlay Ordinary.

For each £1 of 4.2 per cent. Preference stock of West Nile will be issued one 5 per cent. Second Preference share of Finlay. For every £100 Ordinary stock will be issued 77 Prefered Ordinary of Finlay.

The Finlay Ordinary stock will not rank for any first interim dividend payable in respect of the current year to December 31 next.

The New Preferred Ordinary stock of Finlay will carry the right to a preferential non-cumulative dividend of 25p net per £1 nominal, will automatically convert into Finlay Ordinary stock at such time as the dividend paid in respect of any year on the Ordinary stock of Finlay exceeds 25p net of £1 nominal.

The Finlay Board intends to declare total dividends in respect of the current year of 10.8p net per £1 of Ordinary stock, the maximum permitted under Phase Two. This is expected to be paid as to 3.5p as a first interim payment and 7.3p as a second interim.

EDWARD BATES

Edward Bates and Sons (Holdings) has made available to Welfare Insurance £2m. "in order to provide a capital base appropriate to the scale of its present operations."

This is stated in documents giving full details of the acquisition of Welfare by Bates.

MINING NEWS

Anglo's profits take a fresh step forward

BY KENNETH MARSTON

AS EXPECTED, the half-year results of South Africa's Anglo American Corporation mining and industrial giant show a good, if not dramatic, rise. Group net profits have reached R26.8m. (£16.4m.), compared with R22.9m. in the same period of 1972 when the year's total reached a record R45.7m.

An increase of 1 cent to 6.5 cents (4p) in the interim just about comes into line with market expectations. The previous year's total was 19 cents. Unlike some other mining finance houses, Anglo does not have dependence on profits from sharedealing although on the latest occasion they have trebled to R4.3m. out of the total pre-tax revenue of R28.6m.

In view of the boom in gold and diamonds the rise in Anglo's half-time profits looks unexciting. But allowance must be made for the time-lag between the rising dividends declared by the mines and their receipt in the accounts of the parent company.

So, although Anglo makes the usual reservation that income does not flow evenly throughout the year, one can expect diamonds and gold to make a greater contribution to earnings in the current half and there should also be the further benefits of rising base-metal prices.

There is thus the possibility of a final dividend of 15½ cents to make a year's total of 22 cents (13.5p). Having been up to 478p earlier this year, the shares closed at 342p yesterday in front of the latest results.

A FINAL FLING FROM RCM

Highest expectations are far surpassed by the final quarterly dividend for the year to June 30 of Roan Consolidated Mines, the Zambian copper producing group which is 51 per cent. owned by the Zambian Government. At 52.8 ngwee net (33.8p) the payment makes a total for the year of 102.3 ngwee (65.6p) against only 67.65 ngwee for 1971-72.

Helped by higher copper sales and prices the final quarter's net profit has risen to K15.19m. to make a year's total of K48.19m. (£30.8m.), equal to 156 ngwee (100p) per share. This compares with the previous year's total of K43.6m., or 144 ngwee per share.

Providing that the mines continue to operate satisfactorily despite the closure of the Zambia-Rhodesia border, copper earnings seem set to rise afresh in the current quarter. But no predictions can be made in view of the uncertainties arising from Zambia's recent proposals to take a greater control over the copper industry.

The latest dividend was not known in market hours yesterday when RCM closed unchanged at 270p. American Metal Climax holds 20 per cent. of the company.

DEELKRAAL-CONTINUED

The latest shot in the battle for control of the potential Deelkraal gold mine in the Far Western Rand comes from Anglo American's Western Deep which has reported a fifth intersection of the Ventersdorp contact reef in its UD 25 borehole giving the reasonably encouraging value of 3,519 centimetre-grams (809 inch-dwts) at a depth of 2,257 metres (7,403 feet).

Core recovery is stated to have been complete. Assay results for uranium will be reported in due course. Drilling is continuing the company says. UD25 is situated in the south-west corner of the Western Deep lease area.

St. Helena optimism

FURTHER details reported from Johannesburg by our correspondent there about the Jurgens Hof gold-mining newcomer, discussed in last Monday's Mining Notebook, are reckoned to strengthen the case that from a market viewpoint it constitutes a bull point for St. Helena shares.

This Union Corporation group company will, it is pointed out, gain royalties plus plant capacity expansion from 180,000 tons a month to 260,000 tons for free. This is leading to thoughts that the controlling house will be looking for a further source of ore to replace Jurgens Hof at the end of its prospective 12-year life.

Meanwhile, there has been some further clarification of the financial arrangements for Jurgens Hof which indicate that, of the R40m. reckoned to be required, R25m. will be provided by St. Helena out of its resultant tax savings. The Union Corporation-Selection Trust group's Unisel Holdings may have to put up R10m.

This would leave R5m. to be provided by the public when the Unisel flotation comes along within the next two or three months. As regards the major conundrum, the possible gold grade and tonnage possibilities of Jurgens Hof in view of the absence of any published borehole results, it is now reckoned that the figures are 10m. tons of ore averaging around 15 grams (9.6 dwts) a ton at depths of between 5,000 and 6,000 feet.

Suggestions that there are substantial tonnages of ore on the adjoining Tarka farm, also owned by the Unisel consortium, are denied by Union Corporation which says that its drilling programme there has been concluded without payable ore being found. Yesterday, St. Helena were unchanged at £10¾.

CGFA SHOULD EARN MORE

The eyes of shareholders in the Consolidated Gold Fields' South African offshoot Gold Fields of South Africa will naturally fly to the part of the annual statement by the chairman Mr. Louw which deals with the outlook for the current year to next June.

They will find there exactly what they would expect. Namely, that there should be a further material rise in the revenue from gold sales and that this should lead to further increases in dividends. The company's 1972-1973 distribution was 60 cents from earnings of 104 cents. Of that year's profits 70 per cent came from gold and uranium.

Mr. Louw also understandably looks for continuing wide fluctuations in the price of gold and of commodities in general "under the influence of the varying fortunes of individual major currencies, changing interest rates and international incidents affecting military security in sensitive areas." Hence shareholders will necessarily have to pin their faith to gold. Currently they should be happy to do so.

AUSTRALIAN CRITICISM

In the annual report of Alliance Oil Development Australia the country's Federal Government mining policies are attacked by the directors who feel that its obsession with improving Australian equity in the natural resources industry has "completely overlooked, or so far failed to indicate, where money is to be raised for exploration from which future discoveries will be made."

Under the Government's announced policy the Australian taxpayer will have to be the ultimate source of "risk" money involved in all forms of exploration. Alliance reckons that "the best and only way for Australia to control the level of foreign ownership of minerals in its own country is through the continuation of the support of individual Australian exploration companies." This certainly seems to be far from the Government present intentions. Yesterday Alliance Oil shares fell ½p to 5p.

"TANKS" LIFTS ITS DIVIDEND

As forecast in Mining Notebook on Monday, Tanganyika Concessions is restoring its dividend total to 12.5p with a final of 7p for the year to July 31. This compares with the 1971-72 total of 11p. Net profits for the past year have risen to £2.55m from £2.09m and latest earnings equal 15.76p per share.

"Tanks" has recently announced sharply increased revenue for its 90 per cent.-owned Benguela Railway in Angola. The parent's outlook for the current year is further brightened by the 17.6 per cent. stake in Union Miniere which has forecast higher profits for 1973. The latest results were announced well after market hours yesterday when "Tanks" closed 5p up at 227p.

MINING BRIEFS

	12 weeks to Sept. 12, 1973	Sept. 3, 1972
Ore milled—(tonnes)	534,678	532,051
Average copper grade	1.131%	1.067
Concentrates produced (tonnes)	20.974	20.856
Grade of concentrates (copper)	25.45%	25.57%
Realisable metals in Concentrates:—		
Copper—(tonnes)	5,134	4,985
Silver—(grams)	730,969	774,259
Gold—(grams)	38,957	39,728

Annual Statements—continued

INSTITUTE OF PURCHASING AND SUPPLY

IMMENSE IMPETUS GENERATED

In summing up the institute's year at the annual general meeting held in the Congress Theatre, Eastbourne, yesterday, chairman Philip Brown stated it had been one in which events had moved with a speed and purpose gratifying to all involved with the function whether current members or not. The year has seen "substantial and exciting results." An immense impetus had been generated in institute affairs during the year which had shown excellent financial returns from all the activities.

Membership was now definitely on the increase across all categories and the numbers taking up associateship showed great promise. With much of the effects of dynamic new policies still to emerge, there is clearly manifest high confidence in future growth in this vital sector of consideration.

Of especial significance was the relaunch, completed only this month, of the two already highly successful institute publications—the monthly prestige magazine and the more commercially oriented weekly news periodical—under the generic title-term *procurement*. They are now titled PROCUREMENT and PROCUREMENT WEEKLY. The shift to this title-term showed more than an acquiescence to a title change. It was a leap forward in the thinking of the council and is a striking example of the institute's governing body exercising its prerogative to lead the institute forward rather than follow patterns of accepted thought.

The chairman went on to say: "It is not enough to respect tradition. We must have the foresight and courage of those who created what we now enjoy. The institute has been built upon the foundation of a specialist function in management. We now see that function as extending into every field where there is procurement activity. For this reason merchandising is an area where the institute is seeking to extend its influence and membership. Another area is among small firms and we are glad to participate in the service which the Department of Trade and Industry is organising for firms unable to support a team of functional managers."

Pointing to the significant changes in the role of purchasing and supply over the past decade engendered by pressures from society and increased governmental participation in such matters as price and the environment Philip Brown said: "The council, board and the committees were determined to lift the institute from a temporary plateau and direct a course to meet these challenges and achieve new heights in its progress. These apparently lofty words are more than justified by the year's remarkable results."

Following the annual general meeting, the new president, Mr. E. F. J. Bignell assumed office. He is assistant secretary at the Department of the Environment and becomes the first civil servant to be elected to the institute's presidency.

British Car Auction confident

The directors of The British Car Auction Group are confident of the company's future and its growth and expansion, says the chairman, Mr. David Wickins.

The malaise that hit the motor trade last April lingered on for the first two months of the current trading period. However, the auctions are now back in full swing.

The company is expanding its restaurant side of the business. Last December a restaurant was opened at Frensham, and in the near future, in conjunction with an established hotelier and caterer, a 36-bedroom hotel on the company's land at Measham will be opened.

Consideration is being given to the building of another auctioneer restaurant over the existing auction premises in Nottingham. Eventually the directors hope that a chain of these restaurants will be established on the company's premises throughout the country.

"It is along these and similar lines that we plan to make greater utilisation of the property we already own and use for our auction business" the chairman adds.

As reported on August 29 group pre-tax profit for the year to May 31, 1973 was £841,300 (£655,600) and the gross dividend is 3.15p (3p) per share.

Meeting, Farnham, Oct. 19, noon.

Whiley turns in £0.32m. at half way

GOLD LEAF and stamping foils manufacturer George M. Wiley reports an advance in group profit, before tax, from £223,000 to £321,000 for the half year ended June 30, 1973. For the previous year profit was £481,265.

An interim dividend of 1.75p net is declared equal to 2.5p gross (same). Previous total was 6.5625p.

Turnover for the half year was £1.5m. (£1.19m.). Tax takes £152,000 (£83,000) leaving £169,000 (£140,000). The interim dividend absorbs £52,500 (£75,0003. ACT written off £22,500.

Chairman Mr. A. L. Marr says the volume of demand both at home and in overseas markets remains very high, and the company in South Africa continues to prosper.

J. & E. Sturge margins down

On an increased turnover of £3.36m. for 25 weeks to June 24 1973, against £2.93m. for 26 weeks group pre-tax profit of John and E. Sturge decreased from £353,600 to £311,000.

Current estimates indicate a little higher profit for the second half, the directors state. For the 53 weeks to end 1972 turnover was £5.89m., and profit £708,237. The company manufactures fine chemicals.

An interim dividend of 5.6 per cent., equal to last year's 8 per cent. gross, is declared. The 1972 gross total was 18.9 per cent.

	25 wks. 1973 £	26 wks. 1973 £
Group turnover	3,360,600	2,925,60
Depreciation	178,700	171,10
Interest payable	54,500	57,40
Profit before tax	311,000	353,60
Taxation	147,000	142,00
Net profit	164,000	211,60

COMPANY NEWS IN BRIEF

WAY HOLDINGS (plastering and flooring contractors)—Results year to April 1, 1973, reported September 17. Group fixed assets £58,497 (£61,904). Net current assets £156,900 (£161,527). Meeting, Waldorf Hotel, W.C., October 18, noon.

REDNOR (steel stockholding, engineering, etc.—subsidiary of Diploma Investments)—Results, year to June 30, 1973, and observation on prospects reported September 11. Group fixed assets £900,815 (£614,456). Current assets £1,954,367 (£896,368), liabilities £1,116,242 (£414,257). Meeting, Great Eastern Hotel, E.C., October 18, at 11.15 a.m.

BISICHI TIN COMPANY—Results 1972 already known. Fixed assets £586,834 (£321,818). Net current assets £136,364 (£133,584). Meeting, 20, Aldermanbury, E.C., October 17 at 12.15 p.m.

AUSTRALIAN AND INTERNATIONAL TRUST—Results for year to July 31, 1973, reported September 17. Investments valued £6.34m. (£5.82m.)—quoted outside U.K. £3.75m. (£2.86m.). U.K. £2.53m. (£2.69m.). Unquoted directors value £56,284 (£72,703). Unrealised appreciation £2.07m. (£1.46m.). Net current assets £383,904 (£46,834). Meeting, 120, Cheapside, E.C., October 17 at 3.30 p.m.

HINDSON PRINT GROUP—Results year to June 30, 1973, already known. Group fixed assets £457,329 (£433,029). Net current assets £289,928 (£267,944). If present buoyant conditions continue chairman is confident of "highly satisfactory" results for current year. Meeting, Newcastle on Tyne, October 18 at 12.30 p.m.

PARKER-KNOLL (furniture manufacturers)—Results for year ended July 31, 1973, reported September 18, with chairman's comments. Group fixed assets £2.78m. (£1.77m.). Net current assets £1.22m. (£1.15m.). Meeting, High Wycombe, October 26, noon.

DIPLOMA INVESTMENTS — Results year ended June 30, 1973, reported September 11, with directors' comments on prospects. Group fixed assets £4.08m. (£3.58m.). Quoted investments £382,187 (£95,448). Market value £301,808 (£83,169). Current assets £6.8m. (£4m.) and liabilities £4.4m. (£2.75m.). Meeting, Great Eastern Hotel, E.C., October 19, at 11.45 a.m.

JOVE INVESTMENT TRUST—Interim dividend on income shares of 2.12p net (1.837p for seven-month period). Net revenue before tax for six months to August 31, 1973, £98,757 (£73,107 for seven months). Increase arises partly from the acquisition of Genrise last April. Net asset value per Capital share (excluding notional capital gains tax liability) 22.9p (25.1p at February 28, 1973), and after deducting notional capital gains tax liability 22.9p (24.6p).

HALWINS (mail order)—Results year ended June 30, 1973, reported June 30. Group fixed assets £860,232 (£567,288). Net current liabilities £184,318 (£74,989). A considerable reduction in stock in hand and work in progress at the year end has been made from last year's figure of £920,000 to £340,000. It is the aim to carry lower stock levels than hitherto, backing this up by better repeat ordering facilities. On prospects, chairman says that as the current catalogue has only been released within the past two weeks, it is not yet possible to gauge the response, nor to judge benefits expected to arise from the changes in buying and administration policies. Some indication of prospects for the current six months should be available by the annual meeting—Benfleet, October 19 at noon.

WANKIE COLLIERY COMPANY—Final dividend, 8 cents making 13 cents (12 cents) net of Rhodesian tax, year to August 31, 1973. Trading profit, etc. $1 812 000 ($1 586 000). Interest and dividends receivable $886 000 ($839 000). Debenture interest, etc. $99 000 ($116 000) leaving $2 390 000 ($2 289 000). To tax $590 000 ($526 000). Net profit $1 800 000 ($1 763 000). To general reserve nil ($300 000), dividends $1 647 000 ($1 520 000). Forward $950 000 ($697 000).

HARMUTTY TEA COMPANY—Final 3.5 per cent. net equal to 5 per cent. gross making 10 per cent. (16 per cent.) for 1972. Profit £10,938 (£15,258), after tax £11,273 (£21,600) but before charging tax under-provided in previous years £7,080 and interest on underpaid tax £5,435.

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dbury Schweppes up £13.6m. at half way

G A continuance of growth forecast in le profits of Cadbury how an increase from £13.64m. in the 24 June 16, 1973, on a £178.46m., against

the 1972 figures to sidiaries acquired in half of that year and unt of the change in basis for McVitie and kes, the 1972 figures r £153.2m. and profit, £11.1m.

kinson, the chairman, rd to achieving an- 1 year of progress in

turnover was split as 7.88m. (£92.54m.) and 0.6m. (£52.5m.); and profit of £14.27m. vas divided as to U.K. 31m.) and overseas 5m.).

man feels that a point ir significance is the r growth rate outside ccelerated growth out- ne market "must con- one of the Board's ectives," he tells

im dividend is effec- ntained at a gross 3.75 per cent.—2.625 et. The 1972 total of per cent. was paid s £30m.

	24 weeks 1973 £000	1972 £000
r:—		
	107,878	92,538
	78,602	52,505
	178,480	145,043
:—		
	8,200	7,305
	6,069	4,045
	14,269	11,351
ter' loss	310	*35
icome	1,353	279
ble	1,700	1,112
tax	13,642	10,555
	6,733	4,673
	6,919	5,883
	591	274
credits	142	—
	6,470	5,609
end	1,923	2,600
	4,547	3,009

* Profit.

Vatkinson says that n in holding down been made very difficult tic and continuous rise s of nearly all services materials the group. Ve have not sought to is situation, we have d to maintain existing So, due to more peration and the bene- merger, the group's e, to date, risen much commodities.

on was taken by CS s ago not to deal in es, only seek to secure upplies for manufactur- es.

pe the chairman says roup is already well on o a record year. The of Slotts in Sweden a successful venture; take has been acquired a Spanish confectionery direct investment in in France and Belgium ased and CS is currently acquisitions in other countries.

On the subject of human relationships in industry the chairman reports that CS is currently engaged in informal consultations with trade unions and management which it is hoped will lead to agreement to carry out an experiment in wider participation in the processes of decision making across all the home operations of the company.

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Armstrong Equipment prospects

NEW AND developed products resulting from the product engineering division of Armstrong Equipment will secure a growth rate not less than that achieved in the past seven years, says the chairman, Mr. J. H. Hooper.

The company is continuing to invest heavily for manufacturing efficiency.

As reported on September 13 group pre-tax profit for the year to July 1, 1973, was £2,304,000 (£1,708,000) and the dividend 22 (20.625) per cent. Turnover increased from £18,747,000 to £22,098,000. A geographical analysis of sales and profit shows U.K. £16,434,000 and £1,780,000 and overseas £5,664,000 and £524,000.

Export turnover increased considerably, and it is expected that a considerable build-up can be achieved in export volumes and margins, says Mr. Hooper.

The specialised fastening division made dramatic progress during the year and it is anticipated that the specialised fastenings will become an ever increasing part of the business and will further broaden the company's product base.

The commissioning of the tube manufacturing complex at the York Plant, producing both welded and cold drawn tube will make a considerable contribution to further growth and export potential.

Following decisions to acquire and build up an automotive replacement parts distribution network, a number of successful distributors have been acquired. At this time there is over 30 branches acquired, opened or agreed awaiting legal completion.

Sales of building fastenings used in construction work and the conduit fastener were buoyant. It is expected that a further anchor bolt range will be introduced this year.

Sales of hydraulic door closers also forged ahead and it is planned to increase the product range.

Meeting, Winchester House, E.C., October 22, noon.

● comment

Armstrong Equipment has been steadily reducing its dependence on the motor industry in recent years; in terms of turnover, this probably now contributes roughly 50 per cent. of the business as against 85 per cent. at one time. In any event, the group can boast a consistent profits performance stretching back at least six years, though the steady climb in margins—culminating in 10.43 per cent. in the last financial year—does raise Phase Two problems. The group is combating this by raising volume, pushing up the overseas content and, at the same time, spending a good deal on new plant and building up a wholesale distribution network (60 units by the end of the year). The growth rate does not look in danger at present and indications are that pre-tax profits could be of the order of £3.1m. in 1973-74; the prospective p/e at 68p is a fully diluted 13. One question mark is the Chrysler dispute, with this customer accounting for around £2m. of turnover a year, though the impact on profits should be cushioned by a saving of at least £¼m. from the New Tubes plant.

Trend to continue at Selincourt

GARMENT AND TEXTILE manufacturers Selincourt reports profits before tax up from £641,000 to £908,000 for the six months ended July 31, 1973, on turnover of £14.2m., against £10.3m.

As far as it is possible to forecast, the directors expect the "satisfactory trend" to continue.

An interim dividend of 0.33p net—0.4714p gross—is declared. Last year the interim was 0.45p and the final 0.5p, paid on a pre-tax profit of £1.62m.

	Half year 1973 £000	1972 £000
Turnover	14,218	10,307
Profit before tax	908	641
Taxation	420	245
Net profit	488	396
Minorities	7	9
Attributable	481	387
Interim dividend	136	186
Retained	345	201

● comment

Selincourt has problems with Tricosa currently but elsewhere the group is moving forward smoothly enough. Thus six-month profits are 42 per cent. ahead pre-tax with Tricosa providing very little against an eight-month contribution worth £224,000 in 1972-1973. Tricosa's problems—poor demand plus the adverse impact of the currency swings on a French based exporter—look tricky, but there is apparently plenty of volume coming through at home both in ladies' fashions and in fabrics. So Phase Three permitting, the group should get close to £1.9m. for the year which means a prospective p/e at 17½p of 7½ net. Clearly though the market is taking nothing on trust from what is essentially a rag-trade share.

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Wimpey up £7m.

FOLLOWING THE prediction that 1973 would be another successful year, the directors of George Wimpey report that first half profits have soared from £5.5m. to £12.8m.

And they forecast that the year's results should be substantially better than the £14.28m. achieved in 1972.

Value of orders in hand at June 30 was at a record level, being 37 per cent. higher than a year earlier.

After tax £5.1m. (£2.2m), first half net profit came out at £7.7m. (£3.3m.).

Overseas work has produced much better results than in 1971 or 1972. Profits have also benefited from the company's improved liquidity, resulting mainly from the sale of shares in Oldham Estate.

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See Lex

Winsor & Newton to go forward

THERE IS a "continuing strong demand" for products at Winsor and Newton in 1973 which should ensure a useful advance on the profit, before tax, of £476,000 reported for 1972, the directors state.

Meanwhile, both sales and profits during the first half have shown increases with rises from £2.06m. to £2.51m., and £230,000 to £280,000 respectively.

An interim dividend of 8 per cent. net—11.42 per cent. gross—is declared (7.7 per cent. net—11 per cent. gross). The previous total was 32.43 per cent. and included a 1 per cent. bonus.

The directors say the group—manufacturers and distributors of materials for artists—is beginning to reap the benefits arising from the considerable effort put into research, development and marketing during the last few years.

A. Marks Bureau growth

CURRENT YEAR profits to date of Alfred Marks Bureau indicate that the May forecast of £725,000 "should be comfortably exceeded," says the chairman, Mr. Bernard Marks. The figure for the year 1972 was £413,407.

First half pre-tax profit expanded from £34,000 to £424,000, and the net profit was £233,000 (£20,400).

An interim dividend of 1.023p net per 10p share is declared—equal to 14.6 (12.5) per cent. gross costing £29,058 net (£19,849 gross). The 1972 gross total was 42.5 per cent.

Sales have been running at record levels and the total for the first six months substantially exceeds the record turnover achieved during the second half of last year.

The nursing, catering and industrial labour divisions and other specialist personnel services continue to make growth and will make very satisfactory contributions towards the year's total profits, he adds.

New branch openings were continuing on a selective basis. The introduction of additional specialist services was progressively maximising the potential of existing units.

Mr. Marks says profit of the Metro dry-cleaning group was up on the half-year, although in view of the expenditure which was planned on a major change in marketing strategy, its increase might not be maintained in the second half. The potential of the dry-cleaning group is substantial.

Thomson to top £10.4m.

THE CONTINUED buoyancy of advertising revenue enjoyed by its national, regional newspapers and publishing companies has pushed group taxable profits of the Thomson Organisation from £3.33m. to £5.47m. in the half year to June 30, 1973.

And, the directors expect to achieve "significantly higher profits" in the full year than the £10.39m. reported for 1972.

The forecast is made although the rate of profit growth in the second six months will be limited by Governmental restrictions on the ability to raise prices, and also the high interest rates currently payable on short term borrowings, the Board states.

The midway results exclude those of The Times whose losses were again significantly reduced and continue to be borne by Thomson Scottish Associates.

All operating companies materially exceeded budgeted profits, the directors state, except for the travel companies which were adversely affected by the generally disappointing market conditions and the fall in the value of sterling against most of the currencies in which their operating costs are incurred.

Further evaluation of the Piper oil field is continuing and present indications are "encouraging." It is still anticipated that before the end of the year, the Board will be in a position to give a meaningful assessment of the implications of this discovery to the Thomson Organisation.

	Half year 1973 £000	1972 £000
Turnover	74,470	59,575
Trading profit	6,102	3,820
Interest	1,086	787
	5,016	3,033
Share associates	458	299
Profit	5,474	3,332
Taxation	3,872	1,413
Net profit	2,602	1,919
Minorities	221	227
Attributable	2,381	1,692
Preference dividend	524	667
Available	1,857	1,025
Interim Ordinary	627	782

The interim dividend is effectively raised from 2.14p to 2.46p—1.72 net. The previous total was 6.3p

The group is controlled by Thomson Scottish Associates and the ultimate holding company is Thomson Equitable Corporation of Toronto.

● comment

Thomson has had a number of good things working for it in the first six months, but there is little doubt that the most important single factor behind the 64 per cent. profit rise has been the boom in advertising. In addition to that, the circulation of the Times has risen (by 3.7 per cent.), there has been a full six months of the 1p price increase on the Sunday Times—as well as rises in certain provincial papers—and the Solicitors' Law holding has chipped in roughly £264,000 to associated companies' profits. In fact, but for that contribution, associated profits would have fallen due to currency problems connected with certain overseas holdings (principally in Germany). As yet there are no signs that advertising is falling off, though there must now be worries about the supply of newsprint and any second-half gain is unlikely to be so dramatic. The consensus of outside estimates points to £13½m. pre-tax for the year, where the shares at 211p on a prospective p/e of 12½ are still buoyed up by North Sea oil potential.

Statement Page 32

Thos. Poole & Gladstone in Singapore

The formation in Singapore of an industrial investment banking subsidiary, South East Industrial Securities Pte., is disclosed by Mr. A. F. Bartlett, chairman of Thomas Poole and Gladstone China in his annual report. He describes it as a "significant preparation for the future." Agreement in principle has been reached with a "substantial private company in Singapore" for participation in the new subsidiary.

This company will provide an "invalable" link between the group's management consultancy activities in Australia and the financial services that it will be able to provide to European industrila companies intending to establish businesses in Australasia. It should also provide opportunities for overseas investments in eraft industries in which TPG is already represented here, the chairman adds.

As reported September 5, profits amounted to £138,785 for the year ended March 31, 1973, compared with £22,858 for the previous 15 months.

Meeting, 49, Park Lane, W., October 15 at noon.

Good rise by Hunt & Moscrop

TEXTILE and paper making machinery manufacturers Hunt and Moscrop (Middleton) has lifted pre-tax profits from £314,348 to £371,864 for the year ended June 30, 1973.

A final dividend of 10.9375 per cent. gross—7.65625 per cent. net—steps up the total from 18.75 per cent. to 19.6875 per cent., the maximum allowed. A two-for-five scrip issue is also proposed.

	1972-73 £	1971-72 £
Profit before tax	371,864	314,348
Taxation	170,878	132,105
Net profit	200,986	182,243
Interim dividend	36,137	49,875
Final dividend	45,172	58,000
Shr. premium transfer	—	37,219
Expenses	—	117,880
Acquisition expenses	2,119	—
Carried forward	523,379	405,821

hn Lewis midway advance

turnover some 25 per ad at £96.28m., trading the John Lewis Partner- stores and supermarkets has risen by 17.6 per £7.01m. in the half year ly 28, 1973.

interest and Preference : the surplus available sharing shows a 20 per rease to £5.57m. How- irman Mr. P. Lewis says kely that the increase in s surplus will be as high f the first half.

in the Partnership's the chairman explains main reason for the ood" results was the high increase in turnover, par- the unexpectedly big in- n February and March VAT. Demand was good and the Partner- are of trade increased. ncrease at the trading as proportionately lower increase in sales because deliberate reduction in rgin percentage and also, er extent, because of some nal expenses.

the sales figure, depart- ore sales rose by £12m. Waitrose supermarket nt up by £6.5m. to £30.27m. olesale and manufacturing icreased by £535,000 to

ewis explains that the to VAT had little effect on l trade. Sales increases in were fairly evenly spread e half year and over all f merchandise. He has no that the relatively low argins on which Waitrose d contributed to the very les result.

ie second half year, the ship is budgeting for an in sales of 15 per cent artment store trade and arther substantial increase trose. There will be the of the new Edinburgh nent store which opened gust 7. Four more super- s are also due to be com- later in the year.

Partnership, however, is ing in the second half s in the first, for a lower f gross profit than that d in the corresponding last year while by contrast es and interest payments pected to rise sharply. Mr. tells members.

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xpress and ar upsurge

fit, before tax, of Express Star (Wolverhampton) in- d sharply from £686,000 to 00 for the first half of 1973. net figure was £510,000 st £382,000.

the chairman, Mr. M. m, warns that second-half s will be adversely affected s of advertisement revenue. ix profit for 1972 was ,711.

Graham says since early st the sizes of publications been restricted due to the age of newsprint, and he ts the restrictions to con- until the end of the year.

e consequent loss of adver- ent revenue and the steep ase in the price of newsprint since June will have a detrimental affect on profits for the second half, he adds.

Francis Shaw promises dividend

In the light of a first-half turnround from a £172,311 loss to a £40,425 profit before tax and "further improvements to follow," the directors of tyre equipment makers Francis Shaw intend to recommend payment of a 10 per cent. gross final dividend, subject to Treasury consent.

There is no interim dividend, and there were no payments last year when the loss for the full year was £47,682. Dividends totalled 17 per cent. in 1971 when pre-tax profit was £388,584.

Sales for the half-year were £2,113,096 (£1,525,722). The order book now stands at £7,064,000 (£3,684,000). Benefits of this new level of business will not be felt immediately, but will provide a considerable improvement in the profit situation in 1974, the directors add.

Chairman, Mr. C. B. Drover says the resurgence of the order intake is particularly encouraging, since many of the current orders are for new product lines and are for industries other than the tyre industry which has traditionally formed the bulk of the company's sales.

The successful penetration of these new markets is therefore beginning to compensate the company for the continuing lack of expansion in the Western European tyre industry, he adds.

Andrew Findlay to exceed forecast

The directors of Andrew R. Findlay, Glasgow based hardware factors, are confident that the forecast of £275,000 profits for 1973 made when the group went public in June—will be exceeded.

From a turnover of £2.57m., against £2.05m., first half profit is up from £120,000 to £155,000, subject to tax of £73,625 (£51,000). The present trend in turnover is continuing into the second half, they report.

The interim dividend is the promised 0.5p net per 25p share. A total of 1.3125p has been foreshadowed.

Retained profits for 1973 will be reduced by expenses of about £15,000 incurred in respect of the application for admission of the shares to the official list.

Sangamo Weston

Profit, before tax, of Sangamo Weston increased from £321,229 to £383,108, on a turnover up from £3,229,164 to £3,540,110.

The directors point out, however, that price increases permitted under Phase Two will not fully recover unavoidable cost increases during the last 12 months.

Incoming orders have continued at a high rate and orders on file are at a record level, and turnover for 1973 should exceed last year's £6,465,000 by approximately 10 per cent. Profit for 1972 was £653,779.

The company is a subsidiary of Sangamo Electric Company.

	Six months 1973 £	1972 £
Turnover	3,540,110	3,229,164
Depreciation	140,734	134,321
Interest	14,872	12,783
Profit before tax	383,108	321,229
Taxation	182,204	131,209
Net profit	200,894	190,020

Tate of Leeds looks for record year

Given good supply and trading conditions Ford main dealers, truck specialists, etc. Tate of Leeds will enjoy a record year, says chairman Mr. F. A. Tate.

An improved turnover of £5.34m. (£3.98m.), group profit before tax, for the half year to June 30, 1973, advanced from £72,385 to £125,609, exceeding the £123,148 for the whole of 1972.

The JCB expansion has proved to be a considerable success and is already a notable profit contributor.

The rate of supply of cars, vans and trucks is most unpredictable and together with the as yet unknown impact of Phase Three of the prices and incomes policy it is impossible to give an accurate forecast of the profit for the full year, the chairman adds.

	Half-year 1973 £	1972 £
Turnover	5,336,859	3,984,635
Profit	178,169	95,500
Interest	52,500	23,115
Profit before tax	125,609	72,385
Tax	59,664	28,954
Leaving	65,945	43,431

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Norman Hay holds better trend

Electro-plating engineers Norman Hay reports first-half 1973 profits up from £110,000 to £145,000, on turnover £180,000 ahead at £716,000.

Chairman Mr. N. Hay says the improvement is a continuation of the second half of 1972, both turnover and profit increasing by about the same proportion.

The company is still experiencing a "very satisfactory increase" in output and orders received show no signs of diminishing.

Mr. Hay is confident that the year's profit will show a satisfactory increase over the £243,000 of 1972.

After tax £63,000 (£44,000), net profit for the first half was £82,000 (£66,000). Stated earnings are 2.05p (1.65p) per share.

A net interim dividend of 7 per cent. is declared, equal to the previous 10 per cent. gross. The 1972 total was 22½ per cent. gross.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

French bank merger

By Giles Merritt

PARIS, Sept. 27.

COMPAGNIE Financiere de Suez, the leading French banque d'affaires and financial holdings group, has announced details of its plan completely to absorb the Banque de l'Indochine, which it gained control of rather more than a year ago.

Under a two-stage scheme, Suez will very soon merge all Indochine's financial holding operations by splitting those activities off from the Indochine banking side, registering an Indochine holding company and then merging that into Compagnie Financiere de Suez, the Suez mother company that controls the groups banking and industrial interests.

The second stage in the plan is scheduled for 1975. In this move the Suez group's chief banking subsidiary, Banque de Suez et de l'Union des Mines, will absorb Banque de l'Indochine's banking activities. The resulting new bank, it is believed, would be called Banque de l'Indochine et de Suez and would be comparable in importance to the Credit Industrial et Commercial.

General Electric to raise £3.6m.

ARRANGEMENTS HAVE been completed for the placing of £3.6m. 5½ per cent. Sterling/Dollar Convertible Guaranteed Loan Stock 1985/93 of General Electric Overseas Capital Corporation (Overseas) by White, Weld and Company. This was announced yesterday by the General Electric Company, U.S.A. Overseas is a wholly-owned subsidiary of General Electric, U.S.A., and the loan stock is unconditionally guaranteed by General Electric and convertible into its common stock.

Application is being made in London to The Stock Exchange for the common stock of General Electric, as well as the loan stock, to be admitted to the Official List. Hoare and Company Govett are brokers to the listing of the common stock and to the placing.

General Electric, U.S.A., is not connected with the English company, The General Electric Company.

Each £100 of the new loan stock is convertible on and after October 1, 1976, until maturity, subject to certain adjustments, into 3.2925 shares of General Electric Common Stock equivalent at $2.42 per pound to a conversion price of $73½ per share.

Road loan

HAMBROS BANK has arranged for the extension of two seven year $15m. loans for the Messina-Palermo Autostrada for a further 15 years.

Eastern Airlines chief may leave after heavy losses

BY OUR NEW YORK STAFF

NEW YORK, Sept. 27.

THIS YEAR has proved to be a turbulent one for the airline industry, and it seems as difficult for chief executives to weather the storm as it is for earnings. Eastern Airlines is expected shortly to announce the dismissal of Samuel L. Higginbottom, its President and Chief Operating Officer.

Eastern will be the second carrier to replace a chief executive in the past few weeks if Mr. Higginbottom does leave. Recently, American Airlines plagued by the same problems which have beset the industry as a whole, including rising costs and fewer passengers than anticipated, brought its former president, C. R. Smith, back from retirement to become chairman of the Board and chief executive officer, in place of George A. Spater.

With losses which have climbed to $10m. in the first eight months of the year, Eastern is facing serious financial problems, and is scheduled to meet next Thursday its senior lenders, in what is being cryptically described as a "potentially significant" encounter. At the specially scheduled session, Eastern is expected to inform its creditors of a significant deterioration in its projected earnings for the rest of the year, well below its earlier forecasts last spring.

Rumours have suggested that the troubled carrier might well show a loss for the year of as much as $40m. to $50m. Last year Eastern had earnings of $19.8m. or $1.02 a share, after an extraordinary charge of $3.2m. or 18 cents a share.

The airline faced lawsuits and complications as a result of the crash of one of its TriStar aircraft, as well as delayed deliveries of other aircraft of the same model and an engine hitch which took several months to correct.

It is thought that Floyd D. Hall, Eastern's Chairman and Chief Executive Officer will take over Mr. Higginbottom's duties for the immediate future. Mr. Higginbottom's fall from grace will have been precipitious. Sources close to the industry suggest that only a year ago he was considered one of the most sought after executives in the business.

Fed. Stores take-over value tops expectations

BY RICHARD ROLFE

JOHANNESBURG, Sept. 27.

SA BREWERIES has pitched its terms cleverly for Federated Stores, with the offer of 410c cash plus two SAB shares per Fed Stores share.

The terms of R83.1m. for Fed Stores were ahead of most valuations and reflect the fact that Fed Stores has for many years played down its property assets which have not been valued since 1951, and which, as well as prime sites in Johannesburg, include freehold in New York and Dominion Buildings, Finsbury Pavement, London.

SAB, as well as the bid for Fed Stores, is now proceeding with an offer to OK shareholders for 50 per cent. of their holdings which, if accepted in full, will cost another R47.8m. The total of R130.9m. fully justifies speculation that the deal would be the biggest ever in South Africa.

OK opened in Johannesburg at only 850c yesterday, although the theoretical value on the terms was 940c and the slide reflected the fall in markt leaders since OK was suspended. The terms are 250c cash and 8¼ shares in a new 7 per cent. convertible redeemable cumulative preference issue. Conversion terms for these Prefs. are 100 for 43 SAB in 1977-78, or 233c per SAB share.

OK shareholders may tender more than 50 per cent. of their holdings if they wish, but SAB will not be obliged to accept any excess over 63 per cent. of the total OK capital.

SAB will make about 40 per cent. of its profits from beer in South Africa after the deal, and the rest from its retailing, hotel, property and manufacturing interests. The deal puts a stamp on its diversification programme of recent years and Goss says that 25 per cent. of profits will now come from straight retailing activities, and as much as 50 per cent. of turnover.

According to SAB, there will be no material effect in the current financial year on the earnings or dividends as a result of the transactions.

The deal establishes SAB as a consumer goods colossus

Stock split

OVERSEAS SHIPHOLDING Group has declared a three-for-two stock split of its outstanding Common shares. The new shares will be issued November 13, 1973, to stockholders of record October 16, 1973. The company presently has 6.5m. Common shares outstanding.

Poor first half for carriers in the U.S.

By Michael Donne, Aerospace Correspondent

THE 11 largest U.S. scheduled airlines showed a 13.2 per cent. decline in net earnings in the first six months of this year, compared with the first six months of 1972, according to the Air Transport Association of America.

In the first half of the year, these airlines had a net profit of $25.1m. on domestic and international operations, against a profit of $28.9m. a year ago.

The airlines included are American, Braniff, Continental, Delta, Eastern, National, Northeast, Pan American, TWA, United and Western.

The eight local-service airlines (Allegheny, Frontier, Hughes Airwest, North Central, Ozark, Piedmont, Southern and Texas (International), did better, with net earnings of $6.2m., against a loss of over $8.2m. in the first half of last year.

As a result, the combined industry financial result for the half-year was a net profit of $31.3m., against $20.7m.

Although showing an improvement, the result is still considered well below the adequate return on capital the airlines need, to finance further expansion in the system, including the purchase of more new equipment.

Fiat holding company lifts profits

By Anthony Robinson

ROME, Sept. 27.

ISTITUTO FINANZIARIO Industriale (IFI), the Fiat group holding company, has announced higher net profits of Lire7,333m. for the year ending June 30 compared with Lire6,549m. in the preceding year. The company does not, however, intend to raise its dividend and proposes an unchanged Lire80 on ordinary shares and Lire130 on privileged shares. This conservative dividend policy allows the Board to proposed placing Lire2,970m. into the dividend equalisation Fund, Lire1,600m. into the extraordinary reserves and lire 7,333m. into ordinary reserves.

Meanwhile IFI International has reportedly become the largest single shareholder in a Philadelphia-based electronics company LTE Imperial Corporation through the purchase of 6 per cent of the company's shares.

This follows IFI International's recent expansion in the leisure field through its purchase of 25,000 shares in the Club Mediterranée.

Both movès are part of a diversfication and expansion plan by IFI International which recently raised its capital to $84.2m. an operation which made some $27m. available for investment in new projects.

Premium income improvement

ROME, Sept. 27.

ASSICURAZIONI GENERALI, a leading Italian insurance company has announced that premium income rose 17.1 per cent. over the first half of 1973 to over lire 200,000m.

The company's life insurance business has been particularly strong with a global 23 per cent. increase in premium income to lire 68,000. The best growth in this field was in its German and Austrian subsidiaries which helpedi to push income from its foreign life insurance business up 35 per cent. compared with the more modest 13.6 per cent. in Italy.

Other sectors were less favoured, however, particularly insurance against thefts. In Italy payouts on this branch represented 130 per cent. of revenue received. Car insurance was also increasingly in the red due to the increased cost of repairs.

After four years in which the property portfolio of Assicuraziono Generali more than doubled in value the company has now taken a more cautious line. This is due to what the Chairman Sig. Cesare Merzagora's interim report describes as the unreasonable increase in property prices recently.

Gabon gets $13m. loan

By Our Own Correspondent

A $13m. ten-year loan for Gabon has now been signed. Market sources report that draw down is to be completed by 1975, while repayments start at the end of four years. The interest rate spread is reported to be 1¾ per cent. over the London inter-bank rate. Managers of the loan were Loeb Rhoades, Citicorp International and Banque Internationale d'Afrique Occidentale.

The borrower is the National Railways of Gabon, and the loan is guaranteed by the Government. It is part of a major project financing of $180m. in which various foreign governments and institutions are participating.

The Gabon railway project has a chequered and controversial history. It was originally conceived as long ago as 1957 to transport timber and iron ore from Mekambo

However, after long studies the World Bank in 1971 judged the project uneconomic, largely because no takers were found to develop the Mekambo ore

MAREMONT CORPORATION

A sharp change of profile

David Curry examines the policies that have transformed the Maremont Corporation within four years from being a diversified company with a sluggish earnings record into a high performance manufacturer of car parts which is now looking hard at the European market.

MAREMONT CORPORATION merged into 1969 as a "mini-conglomerate." It plans to establish itself over the next few years as a "multinational." The difference is not just one of words, claims Mr. Richard Abelson, president and chief executive officer, but marks a radical transformation of the company.

"Before 1969," Mr. Abelson comments, "the company had made 40 acquisitions in quick succession. It made some dozen car parts. It manufactured ordnance equipment and textile machinery. It ran a large automotive parts distribution and jobbing operation. Maremont was just about breaking even with depressed earnings despite sales growth."

This year the Chicago-based company has a much smoother profile. It has divested itself of its automotive parts distribution operation and its manufacturing divisions turn out a shortened range of car parts and accessories.

Banking on after-sales

"The automotive parts, particularly the replacement parts operation, had the most growth potential and the best prospects of a steady and high earnings rate," recalls Mr. Abelson. "We decided to concentrate on shock absorbers and exhaust systems and to put much lower priority on friction materials. The parts business was doing some $50m. a year in 1967. Last year it earned some $133m. and it should reach $175m. in 1973. The advantage of our product range is that it has a strong after-market sale, and this tends to iron out any cyclical tendencies in the business."

"In the two basic areas of shock absorbers and exhaust systems the company sees a rapidly expanding market. The total retail U.S. market for shock absorbers is estimated at $580m. a year and it is calculated that only one in three of the shock absorbers needing replacement are actually being replaced. Maremont expects this market to grow from 50m. units in 1972 to 75m. in four years.

It reckons that the domestic retail market for exhaust systems is $750m. Here enacted and pending safety, noise and emission control laws are expected to give a sharp boost to demand. Already 32 States have vehicle inspection systems and the rest should follow suit soon.

Since 1969 the company's automotive products have grown by 11 per cent. in sales to $133m. while the total U.S. aftermarket sales have risen from $13,000m. to $17,000m. accompanied by a 10 per cent. rise in the car population.

Having rationalised its automotive parts product line and sold off its filter business and camshaft manufacturing, the company divested itself of its distribution system. The Federal Trade Commission had already ordered Maremont to curtail this operation, and Abelson remarks that the FTC instruction fitted in nicely with his own concept of how the business should develop.

The company undertook to the FTC in 1971 to get rid of 80 per cent. of its warehouses (it had 35) and all of its 153 jobbing stores by January 1975. It is ahead of schedule.

In July this year the company sold its textile machinery division to Stone-Platt for $22m. in cash, leaving it essentially with only some of its distribution business to get rid of, and the company has decided to get out of this line completely rather than retain the 20 per cent. of the former operation the FTC permitted. The ordnance business has been wound down as a prelude to phasing it out entirely.

The priority, then, is tackling the after-market sales of car parts. Maremont does this through the traditional channels to garages, while it also makes own label goods for other companies.

The expansion of the automotive business in both manufacturing and retailing has entailed heavy capital expenditure. Within the four years to the end of 1972 investment in new plants and expansion of existing ones was around $26m. and by the end of this year will have climbed to some $45m. The swift transformation of the company's priorities meant that, at the beginning of this year, almost two-thirds of its automotive manufacturing facilities were less than four years old.

What is exciting Mr. Abelson now is the company's new *Worldparts* operation which is producing replacement parts for cars imported into the U.S. "Some two-thirds of car repairs in the U.S. are done through garages not through dealers," he comments. "But it is very difficult to get parts for foreign cars from the garage down the road. We want to fill this gap by manufacture and buying in. We aim to stock some 5,000 parts from 87 suppliers. Initially we will manufacture only about 5 per cent. of the parts.

Mr. Abelson's second new line is the construction of electrodyne alternators for lorries, a piece of equipment which, he claims, will last for 500,000 miles. "We aim to build up our electrical capability," he remarks.

The company has the advantage of being relatively liquid. It raised about $12.5m. in June 1972 through a public offering of 300,000 common shares and the issuance of an additional 388,000 shares resulting from the conversion of certain preferred shares and the exercise of warrants. Last year it also arranged for credit lines totalling $30m. with a group of banks and followed this with a second agreement with another bank whereby it will borrow up to $12m. this year.

At the end of 1972 the current ratio stood at 2:1 with $105m. in current assets and $54m. in current liabilities. Long-term debt stood at $14.7m., including $840,000 of 6 per cent. s ordinated debentures converti into some 52,665 common sha at $15.95 a share.

Maremont has maintained strong momentum since 1969. 1972 primary pre-share earni increased by 105 per cent. to $ on a 12 per cent. sales rise $270m. Return on investm climbed to 18 per cent. aga 10 per cent., and working cap was $13m. up at $51m. Sh holders equity moved from $ to $73m. and cash-flow from $ to $14m. The debt-equity r declined from 58 per cent. to per cent. and at the end of year the company was clear of short-term domestic bank d The main contributor to was the basic automotive gr which sold equipment w $133m., up 41 per cent.

The comparison with 196 more striking. In that year company's sales were $234m., net income $2.4m. Its divid per share was 35c (93c in 19 and cash-flow was $5.4m. W ing capital was $29m. and l term debt was $19.6m. Eq investment totalled $43.3m. the return on investment guished at 6 per cent.

Clearing and forwarding

In the six months to June this year the company reco net sales of $150.6m. and income of $7.9m. giving f diluted per share earnings $1.77. The respective figures the same period of 1972 w $136.5m., $4.75m. and $1.24.

In geographic terms the c pany is strong in the Ameri and has joint ventures in S Africa and India. Its non-solidated sales from j ventures are about $25m. a y "The biggest opportunity is the EEC," Mr. Abelson sta "We are evaluating the p bility of a marketing effort Europe backed by manufactu in Europe with subsidiaries joint ventures.

In particular the company examining the possibility entering the European sh absorber market, but is also a to business openings in silencer sector. Other m could include the opening o central clearing and forwar point for import and export parts or operations for *worldparts* exercise.

Maremont has a small Fre subsidiary, and has set u European representative o with Avalon in Lausanne. T company has articles of asso tion empowering it to hold pa cipations in other conce though the possibility of sett up a Maremont subsidiary. Switzerland is not excluded.

Company Results

Le Nickel's half year loss widens

● Société le Nickel has reported a loss of Frs.58.05m. for the first half of 1973, compared with a loss of Frs.40.18m. a year earlier.

The company attributed the increase partly to an easing of the French franc price of nickel resulting from the devaluation of the dollar, and to the heavy taxation imposed on exports of nickel and ores from New Caledonia.

During the first half of this year, Nickel paid Frs.34.5m. in this taxation.

Nickel's Caledonian subsidiary, Société Neo-Caledonienne du Nickel, had a loss of Frs.11.89m. in the first half.

● Société Miniere et Metallurgique de Penarroya, Nickel's main non-ferrous subsidiary, had net earnings of Frs.10.77m. during the first half of 1973, compared with Frs.1.31m. a year earlier, and Frs.14.93m. for 1972 as a whole.

The company attributed the sharp rise to "constant firm" demand for lead and zinc, as well as a substantial increase of prices for these metals.

Cie de Mokta, Nickel's subsidiary with mining interests, reported net earnings of Frs.6.78m. for the first half, compared with Frs.6.75m. a year earlier, and Frs.12.13m. for all of 1972.

● Société des Ciments Francais first-half net earnings were Frs.17.4m. (Frs.14.37m.). Sales were Frs.449.5m. (Frs.446.1m.).

● Borg-Warner Corporation is paying a quarterly dividend of 33¾ cents on Common stock. Payable November 15.

● INA Corporation has reduced its fourth quarter dividend to conform to guidelines of the Federal Government's Committee on Interest and Dividends. The return to the established quarterly rate will be recommended for the first quarter of 1974.

A fourth quarter dividend of 33½ cents a share was declared instead of the scheduled 52½ cents a share. The dividend is payable on November 15, 1973 to shareholders of record October 18, 1973. The 1973 dividend of $1.91 represents a 31 per cent. increase over the 1972 annual payment of $1.456 and is the maximum allowable under the 1973 guidelines.

● Cie. des Forges de Chatillon-Commentry-Biache first-half earnings, before depreciation and taxes, were Frs.23.8m. (Frs.15.5m.).

Spanish unit lifts capital

By Our Own Correspondent

MADRID, Sept. 27.

LA TELEFONICA—the Spanish telephone monopoly company—will increase its capital by Pts.14,200m. (about £98m.) from October 1 with the issue of one new for five old shares which can be subscribed at par by Telefonica shareholders.

This is by far the heaviest issue of a single Spanish company but it is generally believed that the issue will be over-subscribed in the first two or three days.

Collaborating with ITT Space Communications (New Jersey) La Telefonica will have Spain's fourth space tracking station operational next month for cross-Atlantic telephone and telegraph service.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Anglo American 7½pc 1987	89	90
Ashland 8pc 1987	95	96
Bluebell 7½pc 1987	88	89
British Land 8pc 1987	92	93
Cadby Schweppes 7¾pc '90	91½	93½
Carrier 8pc 1987	95	96
Consol. Foods 7¾pc 1991	91	92
Cutler Hammer 8pc 1987	95¼	96¼
Denmark 7½pc 1990	90	91
Fisons 8½pc 1987	95½	96½
General Cable 8½pc 1987	96	97
Grand Met. 7½pc 1987	88	89
Guardian RE 8pc 1987	94	95
Gutehoffnungsh'tte 7¾pc '88	91½	92½
Hambros 7¾pc 1987	93½	94½
Hamersley 8pc 1987	91½	92½
ICI 7¾pc 1992	91¼	92¼
Kleinwort Benson 8¼pc 1987	97½	98½
Legal & General 7¾pc 1988	91¼	92¼
MEPC 8pc 1991	90	91
Michelin 7½pc 1988	90	91
Nat. & Grindlays 7¾pc 1987	91½	92½
RHM Intl. 8pc 1986	91½	92½
Prov. of Quebec 7¾pc 1988	90½	91½
Shell International 8pc 1988	98	99
Slough 8pc 1988	88½	89½
South Africa 7¾pc 1987	89	90
Standard Oil (Ind.) 8¼pc '88	100½	101½
Tenneco 7¾pc 1987	91½	92½
Town and City 8pc 1987	90½	91½
Volvo 8pc 1987	94½	95½
Wellcome 8½pc 1987	95½	96½
Williams & Glyn's 8½pc '87	97	98
NOTES		
Bank of Tokyo 7¾pc 1978	97½	98½
Barclays 7½pc 1978	97	98
Du Pont 7½pc 1978	97½	98½
Esso Intl. 7½pc 1978	98½	98½
First Chicago 7pc 1980	92½	93½
General Motors 8¼pc 1976	100½	101½
Rockwell Intl. 7¾pc 1979	95½	96½
Tenneco 7¾pc 1979	93½	94½

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	118	119½
American Motors 6pc 1992	117½	118½
Amoco 5½pc 1984	118	119½
Beatrice Foods 4½pc 1992	99	100½
Beatrice Foods 4¾pc 1992	103½	105
Borden 5pc 1992	88½	90
Broadway Hale 4½pc 1987	82	83½
Carnation 4pc 1987	83	84½
Chevron 5pc 1988	115½	117
Dart 4¾pc 1987	101½	103
Economic Labs. 4¾pc 1987	111	112½
Ford 6pc 1986	103	104½
Ford 5pc 1988	90	91½
General Electric 4¼pc 1987	98½	100
Gillette 4¾pc 1987	103½	105
Gould 5pc 1987	82	83½
Halliburton 4¼pc 1987	138	140
Harris 5pc 1992	87	88½
Hitachi 6¾pc 1984	147	149
Honeywell 6pc 1986	108½	110
ITT 4½pc 1987	84½	86
Komatsu 6½pc 1984	142	144
J. Ray McDermott 4¾pc '87	125½	127
Masco 4½pc 1987	92½	94
Mitsubishi Elec. 7pc 1983	194	196
J. P. Morgan 4¾pc 1987	129	131
Motorola 4½pc 1988	153	157
Murphy 5pc 1989	142	144
Owens Illinois 4½pc 1987	95½	97
J. C. Penney 4½pc 1987	103	104½
Rank 4½pc 1988	87½	89
Revlon 4¾pc 1987	99½	101
Sime Darby 5½pc 1988	84½	86
Slater Walker 5½pc 1987	79½	81
Sperry Rand 4¼pc 1987	106½	108
Squibb 4½pc 1987	98½	100
Toshiba 6½pc 1985	175	177
Union Carbide 4½pc 1982	91	93½
Warner Lambert 4½pc 1987	103	104½
Warner Lambert 4¾pc 1988	83½	85

Source: Kidder, Peabody Securities.

Other News

National Kinney settles Uris price reduction

● National Kinney Corporation has completed agreements with Uris Building Corporation for a reduction of $12.32m. in the purchase price paid by its subsidiary Kinney Development Corporation for about 54 per cent. of the outstanding Uris shares.

The terms called for a reduction from the original $63m. price paid on July 2, 1973.

● Manufacture Francaise d'Armes et Cycles de Saint-Etienne (Manufrance) hopes to receive Japanese Government approval soon to set up a subsidiary in Japan in association with Tokyo-Boeki Company.

In a letter to shareholders, Manufrance said the equally owned subsidiary would hopefully be in operation early next year. Plans call for the opening of a sales centre in Tokyo as well as the publication of a mail-order catalogue.

Manufrance is a long-established manufacturer of hunting rifles, small arms and ammunition, bicycles and sewing machines, and it also has a mail-order division.

The French company would be the exclusive supplier of European goods to the Japanese subsidiary, the letter said.

● Occidental Overseas Capital Corporation, a wholly-owned subsidiary of Occidental Petroleum Corporation, has sold $25m. of Guaranteed Notes due 1981 to a group of seven Japanese banks and the Tokyo branches of two American banks.

Payment of the principal and interest on the Notes is guaranteed by Occidental Petroleum Corporation. The funds will be used to reduce debt of shorter maturities of Occidental Petroleum C poration.

The financing was arranged Blyth Eastman Dillon and the Bank of Tokyo, the Dai Securities Company, and Tokyo branches of the F National Bank of Chicago Wells Fargo Bank.

Purchasers of the Notes w the Bank of Tokyo, the C Trust and Banking Company, Hokkaido Takushoku Bank, Tokai Bank, the Daiwa Bank, Saitama Bank, the Yasuda T and Banking Company, and Tokyo branches of the F National Bank of Chicago Wells Fargo Bank.

Bankers Trust merger plan

TWO NEW YORK ban Bankers Trust Company Albany, and The First Natio Bank of Cooperstown, are merge. BTCA is a member of second largest multi-bank ho ing company in the U.S., $12,800m. deposit Bankers Tr New York Corporation.

The total deposits of the t merging banks will be abo $235m. Between them, they w have 25 offices in New York.

The plan is subject to approv by the shareholders of The Fi National Bank of Cooperstov and by the State and Feder bank supervisory authorities.

...ish ...eat to ...tion'

...' salmon in the North ...ic are still wide open ...oitation as a result of ...by the Danish Gov...ccording to the Inter... Atlantic Salmon ...ust in London yester...

...this year, the North ...ic Fisheries Commis...ed a recommendation ...for salmon in the ...area outside national ...—that is on the ...—should be banned ...ry 1, 1976.

...sh Government, how... an objection within ...d time limit and the ...ation is unlikely, ...o be implemented.

...e is in contrast to the ...n the North West ...ere the countries con...nding Denmark, have ...end "high seas" ...ing by 1976.

...finances of purchases

...ricultural Mortgage ...helped to finance the ...of approximately ...s of farmland in Eng...ales during the year ...31, 1973. This land, ...MC lent £19m., repre...al 22 per cent. of the ...uring that year.

...ntly-published Minis...iculture figures show ...were 5,500 sales ...ast over 450,000 acres ...age price of approxi...acre.

...s by farm size shows ...'s range of lending ...nd mortgage options ...articularly to those ...viable acreages. For ...per cent. of the sales ...to 299 acre class were ...AMC. This figure ...ith 24 per cent. for ...ded March 31, 1972.

...IN EXPORTS ...AFRICAN ...ONY ORE

...NESBURG, Sept. 27. ...African Government ...ineer said exports of ...concentrates in the ...months of 1973 were ...ic tons against 25,912 ...same period last year.

...ited Murchison ...642 tons of ore and ...s in the half-year to ...st 20,697 tons in the ...ing period last year.

Copper leads downward trend in metal markets

BY JOHN EDWARDS

COPPER PRICES fell yesterday—for the third day in succession—leading a general downward trend on the London Metal Exchange. Cash wirebars closed £14.5 lower at £775 a metric ton, following some heavy selling by speculative sources that met little buying resistance. At the lower levels, however, sufficient consumer demand did emerge to halt the downward slide. Indeed values rallied further on the late kerb following the trend in New York and reports of some buying by China.

It was generally expected that the market would be rather quiet in view of the Jewish New Year holiday, so the surge of selling was somewhat surprising, especially after the steady New York tone overnight.

Unsettled

There have been no changes in the fundamental supply-demand position to account for the decline in prices, but the absence of fresh news has unsettled some speculators who feel that it may be difficult to sustain the present historically high levels, bearing in mind the pressure on stock holding created by rising interest rates.

Further nervousness has been created by the moves in the U.S. Congress to hasten through the Bill authorising the sale of 258,700 short tons from the stockpile.

The House Armed Services Committtee yesterday began hearings on Bills to allow stockpile copper sales, but the evidence given to the Committee also brought out the opposition in the U.S. to any releases being made on the grounds that emergency stocks are needed. It was also urged that exports of copper and copper scrap should be controlled before any move was made to release stockpile supplies.

If the stockpile release is not authorised by Congress the copper market could quickly turn round since it is believed U.S. consumers have been holding off buying in anticipation of stockpile supplies becoming available.

Indeed the copper market is delicately poised at present. Available supplies remain scarce. No one knows yet what is going to happen to Chilean copper production under the new Government.

Little reliable news is emerging, but the crunch may emerge shortly when the copper miners' labour contracts expire.

There are also rumoured to be production problems, as a result of the shortage of expertise in the mines, that cannot be solved overnight. In addition, Chile's sales of copper to China may dry up completely leaving China to seek supplies elsewhere.

Further rise in egg prices

By Peter Bullen

THE SHARP rise in egg prices continued yesterday with increases of 1p and 2p a dozen on producers' first hand selling prices.

The latest increases bring the first-hand prices up by 7p or 8p since the end of August. For housewives, they will mean that large eggs will cost between 41p and 47p a dozen, standard 39p to 43p and medium 35p to 41p, in the shops next week.

Once again the reason for the increase is put down simply to the very strong demand for the very few eggs available. Despite the succession of price increases demand has not been dampened mainly, trade sources feel, because other foods have also risen steeply in price.

The main cause for the shortage was the cut-back in production months ago following the slump in prices last year. Recent steep increases in poultry feed prices have made the position worse, and there is little relief available from imports.

For the same reasons as the U.K., Continental countries are short of eggs, and prices in France and Germany are 2p to 3p a dozen higher. The London Egg Exchange reports that imported eggs are meeting a ready clearance and pressure of demand continues to maintain a very firm market for home produced eggs absorbing all available supplies.

In its week-end food price forecasts, the Ministry of Agriculture mentions the likely increase in egg prices, and says fish, poultry, beef and lamb prices are not expected to show much change. Some pork cuts could be a little dearer.

Supplies of tomatoes are beginning to decrease because of the colder weather, and prices may rise by 3p to 4p a pound, but apples and lettuces should be down by 1p a pound.

World coffee supply rationing plan finalised

BY ROBIN REEVES, COMMODITIES EDITOR

COFFEE PRODUCERS plans to withhold 10 per cent. of estimated exportable production from the world market in the 1973-74 coffee year were finalised early yesterday.

The news helped to boost coffee prices still further on the London terminal market yesterday as did rumours that Brazil is shortly to suspend registration for October coffee exports and not, at the same time, open registration for December shipment—its usual course of action. Only towards the end of the day did profit-taking bring the market back but the December delivery contract still closed at £466.5 a ton, £1.75 up on the day and £39 higher than a month ago.

A total of 14 countries, accounting for some 80 per cent. of world coffee exports, were reported to have agreed to the plan and another six countries will be seeking the approval of their Governments before joining the scheme which envisages withholding a total of 5.5m. bags. The countries concerned will be obliged to show proof of compliance by sending documents to the new administrative Board set up by the producers indicating that they are holding their share of the overall total.

Surprising

In some ways it is surprising that the market has so far moved in the direction producers were looking for when the plan was first agreed in principle last month. All the more so since the record of coffee exports in the first half of the year bears little resemblance to restraint which producers were supposed to exercise over that period. Many sold substantially more coffee than they were supposed to under the producers' pact, with the result that stocks in consumers' and dealers' hands are still on the large side.

However, the performance of the market over the past month has demonstrated that these stocks are in strong hands. At the same time, the producers' themselves have had little coffee to sell and so undermine the recent upward trend.

The testing time will come later this year when harvesting gets under way in a large number of countries, and they will be required to finance the storage of part of the crop at a time when coffee importers will be freed of the considerable restraints which the International Coffee Agreement has exerted for the past ten years. The system of control being instituted by producers bears little comparison with the complicated arrangements for certificates of origin and stamps corresponding to quota issued by the Coffee Organisation and policed by customs authorities in importing member countries. The latter will be totally scrapped when the present International Coffee Agreement expires next Monday.

Farmers plan meat campaign

BY OUR COMMODITIES STAFF

FARMERS ARE proosing to organise a £1m.-a-year meat promotion campaign, the National Farmers' Union announced yesterday.

The plan, agreed by the NFU Council and supported by the Scottish NFU, is now to be considered by the union's county branches.

Other sections of the meat industry were informed of the union's plans earlier his week, and most are in favour of any move to boost meat sales. Retail butchers have qualified their approval of the scheme, however. They are worried about the NFU's intention to promote meat exports which the butchers say could have adverse affects on supplies and prices to British consumers.

Sir Henry Plumb, NFU president, said the annual retail value of fresh meat was in the region of £2,000m. No more than 0.1 per cent. of farm gate value of the meat would provide about £1m. a year for sales promotion.

The union plans to raise the money by a compulsory levy on livestock farmers. It suggests that the Meat and Livestock Commission should use existing legislation to set up an executive body representing producers and the trade and funded by the meat promotion levy.

This levy would be collected from producers of slaughtered cattle, sheep and pork pigs through MLC machinery and the proceeds used by the representative body to promote meat sales in Britain and overseas.

The body's main responsibility, says the NFU, would clearly be the generic promotion of fresh meat sales in the home market, but funds would also be made available for related activities, including regional and local promotions and projects to boost the image of branded fresh meats to consumers.

"The distributive trades might want to make contributions on their own account for meat promotion, but the unions believe it is important that, in the first instance, this should be essentially a producer initiative," says the NFU.

● Sir Henry Plumb followed up his appeal to the Prime Minister on Wednesday for aid to livestock producers by saying yesterday that the price of pork would go up steeply "unless livestock farmers get an emergency food subsidy." In some quarters a 50 per cent. in the price of pork was forecast.

Weather delays Soviet harvest

MOSCOW, Sept. 27.

ADVERSE WEATHER in many parts of the Soviet Union is holding up the grain harvest, Soviet newspapers reported.

However, Pravda, the Communist Party daily, said 93.1 per cent. of the area sown with grain this year (111.2m. hectares) had been harvested. Of this, 93 per cent. had been threshed, it added.

The Soviet Union has been making a concerted effort to bring in a record harvest to make up for the poor crop of 168m. tons caused by a combination of frosts and drought last year.

Weather in the early part of the summer—long, sunny spells, interspersed with rainfall—augured well for the grain crop, but heavy rainfall in August hampered harvesting in some areas.

This month many parts of the Soviet Union have experienced continuing heavy rainfalls combined with a sharp and early drop in temperature.

Western experts predict that the grain crop this year will be good—between 185m. and 190m. tons—but not up to the target figure of 197,400,000 tons.
Reuter

Wool auction values lower

BRISBANE, Sept. 27.

VALUES at the Brisbane wool auction were 2½ per cent. to 5 per cent. cheaper than yesterday's rates for merino fleeces and skirtings, with faulty types most affected, the official report says.

Japan was the main buyer, supported by the EEC and Eastern Europe.

There was an 88 per cent. clearance to the trade of 17,490 bales including 6,614 sold by sample. The Australian Wool Commission bought nine per cent. and three per cent. was passed in. Reuter.

Sugar pact quota proposals

BY DAVID EGLI

GENEVA, Sept. 27.

BASIC SUGAR export tonnages for 1974 would amount to 9,475,000 metric tons, raw value, according to proposals presently being studied by the executive committee of the UN sugar conference.

But it has been suggested that the maximum quota reduction of 10 per cent. will be raised to 15 per cent. This means that quotas, in 1974, after a maximum cut would amount to some 8,054,000 metric tons.

To this must be added various other export possibilities, such as additional entitlement arrangements, linked in part to a proposed new executive director's sugar reserve, exports by the German Democratic Republic, and by non-members.

The final total amounts to 10,000,614 tons, to which again must be added EEC exports to the free market amounting to some 1,236,000 tons.

According to these calculations, the net total of sugar on the market in 1974 would amount to 11,850,000 tons.

The EEC total includes 361,000 tons of Australian sugar, equivalent to the automatic increase in basic export tonnages to which Australia is entitled under provisions relating to changes in the membership of special arrangements or of the share of countries under such arrangements.

Proposed key basic export tonnages are as follows: Australia 1,650,000, Brazil 1,550,000, Cuba 2,550,000, South Africa 925,000.

Indian jute 'buy' order

NEW DELHI, Sept. 26.

THE INDIAN Government to-day issued orders under jute licensing and control order compelling jute mills to buy specific quantities of jute from growers. The move was to arrest decline that had set in jute purchase prices following bumper crop of around 8m. bales this year. To-day's order also empowers the Jute Commissioner to stipulate production by mills of specified quantities of carpet backing and hessian to meet export demands.

Announcing the Government's decision Commerce Minister Dr. P. Chattopadhyaya told reporters that powers under law which were being exercised for the third time in ten years was the only recourse as industry had failed to fulfil promises to step up purchase operations.

The Minister claimed that although the jute industry had promised it would increase purchases not only for monthly consumption but for three month stock at agreed price of R157 per quintal, neither had operations been increased nor had growers received more than R120 per quintal.

With the new order the Minister expected the Jute Corporation and mills together to buy about 2.5m. bales which is roughly one-third of this year's total production and about 1.5m. bales more than last year.

Taiwan bans food exports

TAIPEI, Sept. 27.

PREMIER Chiang Ching-Kuo has ordered a ban on food and fertiliser exports to ensure sufficient supplies locally, it was reported here. The embargo does not affect sales already made but not yet completed.

Premier Chiang at a recent Cabinet meeting also ordered redoubled efforts to increase food and fertiliser production.

Rice production is expected to total 2.5m. metric tons this year; 1.1m. tons were harvested in the first half of this year. Taiwan harvests two rice crops a year, and normally exports rice to other Asian countries.
Reuter

...IMODITY MARKET REPORTS AND PRICES

METALS

...raded erratically on the ...l Exchange, prices being ...y speculative influences ...y any changes in the basic ...her opening at £777 in pre...ngs, forward metal fell to ...

	a.m. Official	+ or —	p.m. Unofficial	+ or †—
	£	£	£	£
	71-2	—24.5	774-6	—14.5
	58-9	—21	762-3	—12
	72	—25	—	.....
	58-40	—27.5	753-5	—5.5
	35-6	—20.5	744-6	—8
	740	—27	—	.....
	—	.....	*60-60¼	.....

...to heavy stop-loss and ...ng before some moderate ...dry appeared as a steadying ...This, coupled with short-...pated a rally to £765 which ...xtended by the unexpected firmness of the U.S. market where it was reported that the Armed Services Committee was having second thoughts about further releases of metal from the stockpile. Forward metal traded up to £776 on the afternoon Kerb. Turnover: 23,475 metric tons.

Amalgamated Metal Group reported that in the morning cash wirebars traded at £782 to 70, 73, 71, 72, 71, mid-Dec. £776, 69, three months £767 to 58, 59. Cathodes: cash £736, 38, three months £737, 35, 33, 35. Kerbs: cash £776, early Oct. £775, three months £761 to 65 to 62.5 to 66, 65. Cathodes: cash £740, three months £738, 40, 42. Afternoon: Wirebars: cash £776, 77, three months £765, 66, 67 to 58 to 63, 62. Cathodes: mid-Oct. £750, three months £744. Kerbs: Bars: mid-Oct. £780, early Oct. £782, early Nov. £780, three months £768 to 71 to 67.5, 68, 68.5, 69, 69.5, 70. Cathodes: early Nov. £769, three months £748, 49, 50.

TIN—Further easing of the nearby supply situation, which again narrowed the backwardation, reflected the increasing volume of GSA sales over the past few days and some end-quarter liquidation. The forward price, however, held steady owing to hedge buying against recent physical demand and the stability in Penang overnight. Turnover: 1,125 tons.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or †—
	£	£	£	£
Cash	2122-5	—12.5	2123-8	—4.5
3 months	†2096-8	—4.5	†2104-5	+5
S'ment	2125	—12	—	......
Straits E.	‡5687	—1	—	......
New York	—	......	*238.87	—0.37

Morning: cash £2,120, 25, early Dec. £2,097, 95, mid-Dec. £2,099, three months £2,095, 93, 90, 95, 96. Kerb: three months £2,098. Afternoon: early Oct. £2,128, early Nov. £2,112, 20, three months £2,100, 03, 04. Kerb: three months £3,104, 05.

LEAD—Profit-taking and stop-loss selling lowered prices from the outset although forward metal, after touching £188, ended at £190 helped by short-covering. Turnover: 3,850 tons.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or †—
	£	£	£	£
Cash	185-6	—5	186-7	—4.25
3 months	188.5-9	—6	189.5-90	—4.5
S'ment	186	—8	—	......
N.Y. Spot	—	......	*16-16.5	......

Morning: early Oct. £185.5, early Nov. £187.5, 88, three months £190 to 87.5, 89, 89.5. Afternoon: early Nov. £189, 89.5, three months £189.5, 90. Kerb: cash £187, three months £190.

ZINC—Underwent a shake-out as profit-taking and stop-loss selling found buyers in retreat. After falling to £414, however, forward metal recovered to £421 owing to short-covering and fresh buying but by the close of the afternoon Kerb the price had slipped back to £417 again. The nearby supply situation remained stringent and continued physical demand was reported. Turnover: 6,650 tons.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or †—
	£	£	£	£
Cash	423-4	—18.5	427-9	—8
3 months	415-6	—12	419-20	—8
S'ment	424	—18	—	......
St. Louis	—	......	*20.25-2	......

Morning: cash £423 to 24, late Nov. £415, three months £420 to 14, 15, 16, 17, 18. Kerb: three months £418, 16. Afternoon: late Oct. £427, mid-Dec. £419, three months £420, 21, 20, 20.5, 20, 19. Kerb: late Dec. £418, three months £420, 19.

* Cents per lb. † On previous unofficial close. ‡ $M per picul.

SILVER

Silver was fixed 0.9p an ounce lower for spot delivery in the London bullion market, at 113.7p. The three-month premium widened 0.1p to 3.9p, the six-month 0.1p to 7.4p, and the 12-month 0.1p to 13.7p. U.S. cent. equivalents of the fixing prices were: Spot 275.2c, down 2.5c, three-month 280.5c, down 2.0c; six-month 287.3c, down 2.3c; and 12-month 298.7c, down 2.0c. The spot price opened at 114.2-115.2p (278.5-279.0c), but some profit taking was seen, and the closing level was 113.2-114.2p (274.0-276.5c).

LME—Turnover 151 (441) lots of 10,000 ozs. Morning: Cash 114, three months 117.8, 7.8, 7.5, 7.4, 7.3. Kerb: Cash 113.7, Three months 117.4, 7.5. Afternoon: Three months 117.5, 7.6. Kerbs: Three months £198, 117.8, 7.9, 118.3.

SILVER (per troy oz.)	Bullion fixing prices	+ or —	LME close	+ or —
Spot	113.7p	—0.9	113.9p	—1.05
3 months	117.6p	—0.8	117.55p	—1.2
6 months	121.1p	—0.8	—	......
7 months	—	......	121.85p	—1.15
12 months	127.4p	—0.8	—	......

FREIGHTS

DRY CARGO—Grain shippers covered cargoes from the Great Lakes to Greece at $31.50 f.i.o. completing St. Lawrence $22 for Oct.-Nov. and from the U.S. Gulf to La Guaira at $15.05 f.i.o. for Oct., also from the U.S. Gulf to Buena Ventura at $23 f.i.o. for Oct. Indian Government brokers repeated $41 free discharge for grain from U.S. Gulf in Oct. and $38.50 free discharge for a similar cargo in bulk carrier tonnage, also for Oct. A cargo of rock phosphate was fixed from Aqaba to Madras at $13.35 f.i.o. for Oct. Miscellaneous chartering included ore from Rio de Janeiro to Contrecoeur at $18 f.i.o. for Oct. Time-charterers took a vessel of 38,100 d.w.t. for two years' trading commencing Feb.-March at $6.

OIL TANKERS—Some rumours of "softer" rates but no hard evidence. Shell was rumoured to have taken two 150,000-tonners in the single-voyage market at between Worldscale 320 and 330, and Finnish charterers arranged a 150,000-tonner on October 1 from Persian Gulf to West at W.340. In the period market Tenneco (U.S. independent) took two 40,000-tonners for three years from November-December at W.200 and Shell (Houston) fixed a 60,000-tonner from December—Persian Gulf to West at W.335, followed by three years' timecharter at $6.25 per ton per month.

COCOA

Prices traded nervously over a wide range. December liquidation depressed prices sharply from a steady opening, but later in the day shortcovering lifted prices some £20 from the day's lows, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No. 4 Contract			
Sept. 1973	784.0-75.0	+15	793.5-760.0
December	667.5-8.5	—1.5	680.0-648.0
March	595.5-6.0	—4	596.0-580.0
May	569.0-70.0	+5	572.0-557.0
July	549.0-53.0	......	552.0-544.4
September	540.0-4.0	+1	558.0-536.0
December	518.5-24.5	—1.5	517.0-595.0

Sales: 4,957 (3,529) lots of ten metric tons.

COFFEE

Robusta and Arabica futures moved higher in the morning, and both received commission-house and dealer support during the afternoon. Eventually, however, the weight of profit-taking saw the market close easier.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per ton		
September	463.0-63.5	+3.7	65.5-62.5
November	466.0-7.0	+3.7	69.0-5.0
January	481.0-1.5	+5	85.5-73.5
March	487.0-8.0	+0.75	91.5-80.0
May	494.5-5.0	+3.2	97.0-94.5
July	498.5-9.5	+3.2	500.0-493.5
September	501.5-2.0	+2.7	505.0-500.0

Sales: 963 (811).

Latest published ICO indicator prices U.S. cents per pound. Colombian Mild Arabicas 72.50. Other Mild Arabicas 62.25. Unwashed Arabicas Santos Four 72.85. Robustas 51.82. Daily average 64.02.

RUBBER

STEADY opening but market grew dull throughout the day, closing slightly easier. Lewis and Peat reported a Malaysian godown price of 166 cents a kilo (buyer, October).

Contracts	Previous Day's Business	12.45 p.m. Official prices	Closing sellers' prices	+ or —
Malayan RSS 1, c.i.f., conf vessels, h.b.e. ports	p	p	p	p
October	not avail.	31.5-32.25	31.5	—
November	not avail.	31.8-31.75	31.0	—
December	not avail.	30.5-31.25	30.5	—
Landed				
Spot	—	34.5-35.0	34.5	—
November	—	35.25-36.0	35.0	—0.25
December	—	33.0-34.25	33.0	—
January	—	32.75-33.25	32.75	+0.15
Jan.-Mar.	32.4-32.6	32.5-32.85	32.4	—0.1
April-Jun.	31.5-31.4	31.15-31.4	31.05	......
July-Sept.	30.5-30.6	30.4-29.5	30.2	+0.1
Oct.-Dec.	29.9-30.1	30.2-30.4	30.1	+0.2
Jan.-Mar.	—	30.1-30.5	30.0	—0.2
April-Jun.	—	30.0-30.2	29.9	—0.2
July-Sept.	—	29.9-30.1	29.8	+0.2
Oct.-Dec.	—	29.8-30.0	29.7	+0.2
Jan.-Mar.	—	29.7-29.8	29.6	+0.2

* Nominal.

Malaysian thin crepe Oct. 42.25, Nov. 42.00 (seller), Sri Lanka thick crepe Oct. 41.08 (seller).

GRAINS

THE BALTIC—French maize tended easier, and small quantities traded for Oct. and Nov. shipment to the East Coast U.K. Other imported grains remained dull.

Maize: No. 3 Yellow American transhipment Oct. £52.50, Nov. £53.75, Dec. £54.55, Jan. £54.25.

Rest unquoted.

MARK LANE—Average sellers quotations per long ton for delivery to London area. Wheat—Milling (bagbers) £61 to £61.50, denaturable quality £60 to £50.50. Barley—Feed Oct.-Dec. £52 to £52.50. Oats—unquoted.

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat: Barely steady. Close: Nov. 58.60, Jan. 60.55, March 61.45, May 62.90. Business: Nov. 59.25-58.75, Jan. 60.90-60.25, March 61.60-61.30, May 63.20-62.60. Barley: Barely steady. Close: Nov. 51.90, Jan. 53.85, March 55.50, May 56.95. Business: Nov. 57.30-51.55, Jan. 54.20-53.50, March 55.60-55.00, May 57.00-56.50.

HGCA — Location average ex-farm spot prices: Soft milling wheat: Driffield £56.70, Hitchin £58.50. Feeding barley: Driffield £47.30, Dumfries £44.90, Hitchin £49.50.

EEC COMMISSION—The following levies and premiums are effective for Sept. 28 (in order—current levy plus Oct., Nov., and Dec. premiums, previous in brackets where changed). In units of account per metric ton. Soft wheat and mixed wheat and rye all nil. Durum wheat all nil, Rye nil, nil, nil 13.55 (nil, nil, nil, 15.65). Barley all nil. Oats 0.39, rest nil (1.14, rest nil). Maize (other than hybrid for seeding) 8.53, 1.32, 1.32, 0.56, (8.83, rest nil). Buckwheat all nil. Millet 6.60, rest nil. Grain sorghum 5.79, rest nil (5.79, 0.38, 0.38, nil). Also effective for following flours: Wheat or mixed wheat and rye flour nil. Rye flour 17.37 (15.27).

The EEC Commission announced unchanged export levies for September 28 of 60.00 units of account per metric ton for soft wheat, and 7.88 units of account for barley.

SUGAR

LONDON DAILY PRICE—Higher at £101 (£99) a ton c.i.f. for Oct.-Nov. shipment.

The higher levels established on the kerb were not held, and prices drifted slowly over the day to lose up to 100 points from opening levels by the close, reports C. Czarnikow. The exceptions were October and December, 1974, for which fair demand was apparent during the afternoon, and these positions closed at their highest levels.

Sugar Pref. Comm Con.	Yesterday's Close	Previous Day's Close	Business Done
	£ per ton		
Oct.	98.45-50	98.55-60	100.0-98.40
Dec.	95.40-45	95.75-85	97.15-95.75
Mar.	93.80-85	93.25-30	95.00-93.25
May	91.65-70	91.25-30	93.00-91.20
Aug.	89.60-65	89.15-20	90.00-89.10
Oct.	88.15-25	86.75-87.50	88.00-87.00
Dec.	87.00-05	84.00-86.50	87.00-86.10

Sales: 4,774 (3,490) lots of 50 tons each.

Tate and Lyle ex-refinery price for granulated in 1-cwt paper sacks was £101.90 (same) a long ton for home trade and £125.50 (123.25) per tonne for export.

EEC DAILY IMPORT LEVIES for white and raw sugars, effective for Sept. 28. White sugar, denatured and non-denatured 7.97 (8.17). Raw sugar, denatured and non-denatured 6.01 (6.37).

WOOL FUTURES

LONDON—Market barely maintained in face of easier wool reports from origin.

(Pence per kilo)

Dry-combed wooltops	Yest'day's Close	+ or —	Business Done
October	279.0-90.0	—	—
December	269.0-54.0	—3.0	—
March	280.0-54.0	—8.0	—
May	225.0-30.0	—6.0	—
July	215.0-50.0	—2.5	—
October	215.0-30.0	—2.5	—
December	215-30	—2.5	—
March	215-30	—2.5	—

Sales: 9 (2) lots of 2,250 kilos each.

SYDNEY—Market three to eight cents down at close.

(Aust. cents per kilo)

Greasy wool	Yest'day's close	+ or —	Business Done
Oct.	390.0-385.0	—7.5	393.0-388.0
December	377.0-378.0	—4.7	379.0-375.0
March	360.0-365.0	—6.0	365.0-3 0.0
May	355.0-355.0	—5.5	357.0-353.0
July	347.0-349.5	—5.0	350.0-347.0
October	339.0-339.0	—3.5	340.0-336.0
December	330.0-335.0	—4.0	335.0-334.0
March	325.0-328.6	—6.0	330.0-325.0

Sales: 723 (732) lots of 1,500 kilos each.

JUTE

DUNDEE—Steady. Prices c. and f. U.K. for Oct.-Nov. shipment. BWB £155, BWC £146, BWD £137. Tossa: BTB £156, BTC £146, BTD £137. Calcutta goods steady. Quotations c. and f. U.K. for prompt shipment: 10-oz 40-inch £6.93, 7½-oz £5.50 per 100 yards, Oct. £6.93, £5.33, Nov.-Dec. £6.96, £5.35. "B" twills £18.60, £18.78, £18.95 for the respective shipment periods. Yarn and cloth prices very firm.

LONDON—Quiet. Bangladesh White C grade Oct.-Nov. £149 seller, Bangladesh White D Grade Oct.-Nov. £140 seller. A long ton.

CALCUTTA—Steady. Indian Sept.-Oct. Rs.370 value, Dundee Daisee Sept.-Oct. Rs.340 value. A bale of 400 lbs.

MEAT/VEGETABLES

SMITHFIELD (pence per pound)—Beef: Scotch killed sides 27.0 to 30.0; English hindquarters heavy 33.0 to 34.0, forequarters 21.5 to 22.5; Ulster hindquarters 32.0 to 33.0, forequarters 22.0 to 22.0; Eire hindquarters 32.0 to 34.0, forequarters 21.0 to 22.5. Argentine chilled boneless cuts: Strip loins 50.0, Rumps 58.0 to 62.0, top sides 45.0 to 46.0, silversides 42.5 to 43.0, thicks 42.0 to 43.0.

Veal: English fats 40.0 to 46.0, (high quality) 47.0, mediums 17.0 to 18.5, bobbies 13.0 to 16.0; Dutch hinds and ends 58.0 to 62.0.

Lamb: English medium 28.0 to 34.0, heavy 27.0 to 29.0; Scotch medium 28.0 to 31.0, heavy 26.0 to 29.0, hill 24.0 to 33.0. Imported frozen: NZ D's 30.0, 2's 30.0 to 30.2, YLs 29.5 to 30.0.

Pork: English, under 100 lbs 19.0 to 25.0, 100-120 lbs 20.0 to 24.5, 120-160 lbs 20.0 to 23.0, 160-180 lbs 19.5 to 21.0, 180 lbs and over 17.5 to 19.0.

MEAT COMMISSION average fatstock prices at representative markets on Sept. 27: U.K.—Cattle £18.20 per live cwt (—0.06), Sheep 32.4p per pound edcw (—0.2), Pigs £3.30 per score l.w. (+0.11). England and Wales—Cattle numbers up 0.5 per cent., average price £18.18 (—0.06), sheep numbers down 7.7, 32.4p (—0.2), pig numbers up 3.3, £3.30 (+0.11). Scotland—Cattle numbers down 18.4, £18.64 (—0.08), sheep numbers down 6.9, 32.6p (—0.9), pig numbers up 17.9, £3.24 (—0.01).

COVENT GARDEN (prices in sterling)—Imported produce: Oranges—Brazilian: Peras/Valencia Lates 144 2.20, 125 2.20, 112 2.30, 100 2.30, 88 2.30, 75 2.30, 64 2.40; South African: Valencia Lates 56 2.65, 72 2.60, 88 2.45, 112 2.45, 138 1.95; Californian: 2.20. Mandarines—Australian: Ellendales, 42 lbs approx. 4.40. Lemons—Turkish: 106/126 5.00-5.30; South African: 6.00-7.00; Italian: 5.30-5.50; Californian: 6.00. Apples—French: Golden Delicious per 20 lbs 72/84 1.60, Jumble pack 28 lbs 2.10. Pears—Per pound French: Williams 0.08; Italian: Williams 0.09. Grapes—Trays Spanish: Almeria 1.30, Black 0.95. Melons—Spanish: Yellow 1.10-1.60, Green 1.30-1.50; Israeli: Ogens 1.80-2.50. Courgettes—per 11 lbs French: 1.65. Tomatoes Jersey: 1.60; Guernsey: 1.60; Spanish: 1.40. Onions—Spanish: 1.40-1.50. Capsicums Per 6 lbs Dutch: 0.70. Plums—Per pound Hungarian: 0.09; Italian: 0.10.

English produce: Potatoes—Per 56 lbs 0.60-0.70. Cucumbers—Trays 10/18's 0.90-1.20. Lettuce—Per 12, round, 0.40, Manchester Cos 12's 0.50. Cabbages—Primo, nets 0.60-0.70. Cauliflowers—Per 12, 1.20-1.40. Mushrooms—Per pound 0.30. Beetroot—Per 28 lbs 0.30-0.35. Marrows—Per 18, 0.60-0.70. Carrots—Per 28 lbs 0.30-0.40. Celery—Per box 20/25 1.20-1.30. Apples—Per pound Derby's 0.04, Bramley's 0.05-0.06, Worcester Pearmain 0.03-0.06, Cox's Orange Pippins 0.04-0.06, Russets 0.05-0.06. Pears—Per pound Conference 0.05-0.07. Plums—Per pound Marjorie's Seedlings 0.10. Tomatoes—Per 12 lbs 1.60. Scarlet Runners—Per pound 0.10. Swedes—Per 28 lbs 0.50-0.60. Onions—Per 56 lbs nets 0.85-0.90, Picklers 56 lbs 1.30. Courgettes—Per 10 lbs 1.50. Corn Cobs—Per 14, 0.38-0.40. Parsnips—Per 28 lbs 0.70-0.80. Cob Nuts—Kent, per pound 0.22½. Sprouts—Per 28 lbs 1.50-1.70.

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COPRA — Philippines/Indonesian (per ton): Oct./Dec. $365 resellers.

French lift grain harvest forecasts

PARIS, Sept. 27.

THE FRENCH national cereals office said it has raised its provisional forecast of marketable harvest in the 1973-74 season to 14.5m./15m. metric tons of soft wheat from 14m./14.4m. previously and to 6.6m./6.8m. tons for barley from 6m./6.3m.

This compares with totals for the 1972/3 season of 14.8m. tons of soft wheat and 6.1m. tons of barley.

The office retained its earlier provisional forecast for maize of 8.1m./8.5m. tons.

PRICE CHANGES

Prices per ton unless otherwise stated.

	Sept. 27 1973	+ or —	Month ago
Metals			
Aluminium (x)	£250	......	£250
Free market cif	£303-8	......	£305-10
Copper §			
Cash WireBars (x)	£775	—14.5	£797.5
3 months do do (x)	£762.5	—12.0	£776.5
Cash Cathode (x)	£754	—3.5	£768
3 months do (x)	£745	—6	£754
Gold......Troy ozs.	$101.25	—0.75	$105
Lead Cash (x)	£186.5	—4.25	£176.25
3 months (x)	£189.75	—4.5	£181.875
Nickel (u)	£1,386	......	£1,351
Free market cif (lb)	$1.46-52	......	$1.50-57
Platinum (§) troy oz.	£65-68	......	£64.5-6.5
Free market	£67½-70½	......	£65.75-8.7
Quicksilver (76lb)	112/114	......	£108-12
Silver Troy ozs.	113.7p	—0.9	106.7p
3 months	117.6p	—0.8	110.6p
Tin Cash (x)§	£2,125.5	—4.5	£1,992.5
3 month (x)	£2,104.5	+5	£1,977
Wolfram 22.04lb. cif	£18½-19	......	£17.8-8.5
Zinc Cash (x)§	£428	—6.0	£375
3 months (x)	£419.5	—6.0	£375
Producer (x)	£190-250	......	£190-220
Oils			
Coconut Malayan	‡	......	†
Groundnut			—
6%	£222	......	£257
Linseed Crude	£382	......	£482
Palm Malayan	£175	......	‡
Soyabean (v)	—	......	‡
Seeds			
Copra Philipp'ton	$365	—7.0	$365
Gr'nuts Nigerian	£157	......	£188
Linseed Can No. 1	—	......	‡
Grains			
Barley French	‡	......	‡
Home Futures	£51.8	—0.6	£50.6
Maize			
No. 3 Yellow Am	£52.50	—2.5	£53.75
S.A. Yellow Flint	‡	......	‡
Wheat			
No. 1 Red Spring	‡	......	‡
No. 2 Hard Winter	‡	......	‡
Australian (f.aq)	‡	......	‡
English Milling	£61.25	—0.75	£58
Cocoa Shipment (x)	£710	—4.0	£586
futures Dec.	£668	—1.5	£546.75
Coffee Shipment (c)	£49.5	......	49.00
futures Nov	£466.5	+1.75	£424.25
Cotton 'A' Index			
c.i.f. L'pool cent/lb	88.15*	......	83.05
Jute LJABWC (d)	£149	......	£146
Rubber......kilo	34.5p	......	36p
Sisal EA 3L (x)	£245	......	£245
Sugar	£101	+2	£91.5
Wooltops 64s....kilo	282p	......	298p
Cloves (Madagascar)	£1710*	......	£1,710
Pepper White....ton	£855	......	£850
,, Black....ton	£520	......	£545

* Nominal. † Seller. ‡ Unofficial close. ♣ Indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." ‡ Unquoted. w Ex warehouse. x C.i.f. U.K. u Metric tons. n Sept.-Dec. r Aug. y June-July. τ Aug.-Sept. ‡ July-Aug. p Sept. v Oct.-Nov. q Jan. s Sept.-Oct.

INDICES

FINANCIAL TIMES

Sept. 27	Sept. 26	Mon th ago	Year ago
187.11	188.75	185.60	95.30

(Base, July 1, 1952=100)

REUTER'S

Sept. 27	Sept. 26	Month ago	Year ago
1199.6	1218.0	1179.4	631.7

(Base, Sept. 18, 1931=100)

DOW JONES

Dow Jones	Sept. 27	Sept. 26	Month ago	Year ago
Spot	326.25	330.50	322.54	167.97
Futures	309.46	310.23	308.11	163.21

(Average 1924-25-26=100)

MOODY'S

Moody's	Sept. 27	Sept. 26	Month ago	Year ago
Sple Commt'y	637.6	636.6	674.0	435.5

(Dec. 31, 1931=100)

U.S. Markets

NEW YORK, Sept. 27.

TRADE SELLING and profit-taking outweighed a commission-house buy recommendation closing cocoa limit down in nearbys. Copper opened lower following London, but reports of possible hold-up of Disposal Bill caused sharp rally before profit-taking emerged to pare gains. Clearing weather triggered renewed profit-taking in the soyabean complex, Bache reports.

Cocoa—Ghana spot 88½ nom. (90½). Bahia spot unquoted (same). Dec. 69.80 (71.80), March 61.95 (63.25), May 58.75, July 57.15, Sept. 55.80, Dec. 53.10. Sales: 1,639.

Coffee—Santos No. 2/3 unquoted (same). Santos No. 4 unquoted (same). Colombian Mams 72.50 nom. (same). C Contract: Nov. 67.50-67.70 (67.50-67.65), Dec. 68.40-68.50, March 68.95-69.00, May 69.80-69.75, July 70.80-70.15, Sept. 71.15. Sales: 730.

Copper—Oct. 84.50 (83.75), Dec. 79.30 (78.45 settlements), Jan. 77.45, March 75.25 settlements. Sales: 2,284 lots.

Cotton—No. 2 Contract: Oct. 91.60-93.50 asked (88.00), Dec. 82.50-82.60 (83.00 asked), March 79.55-79.51, May 78.00-78.40, July 73.80-73.50, Oct. 60.60-61.00, Dec. 55.60, March 54.10-55.10. Sales: 1,800.

♣Greasewool—Spot 230.0 nom. (same). Oct. 222.5 (223.0), Dec. 218.5-218.5 (226.0-218.0 (23.0-230.0), March 218.0-221.0, May 214.0-219.0, July 211.5-218.0, Oct. 208.5-218.0, Dec. 205.5-218.5.

†Lard—Chicago loose 28-28½ asked (28.00 asked). NY drummed 34-34½ nom. (34.00 asked).

††Maize—Dec. 250½-251½ (252-251½), March 255½-256 (same), May 258-259, July 260-259½, Sept. 251, Dec. 218, March 221.

‡Platinum—Oct. 168.00 (170.00), Jan. 174.00 (176.00), April 179.50, July 184.00, Oct. 187.20, Jan. 190.00-190.50. Sales: 454

‡‡Silver—Spot 282.0 (286.0), Oct. 279.20 (284.60), Nov 280.70 (286.00), Dec. 282.40, Jan. 283.70, March 287.30, May 289.60, July 292.10, Sept. 294.50, Dec. 298.40, Jan. 29.70. Sales: 2,460.

*Soyabeans—Nov. 643-642 (660), Jan. 648-645 (660½), March 653, May 655, July 656-657, Aug. 650, Sept. 637, Nov. 630, Jan. 631 nom.

hSoyabean Meal — Oct. 190.50-192.00 (200.50), Dec. 183.00-184.00 (192.00), Jan. 183.00, March 183.00-184.00, May 184.00, July 183.00-185.00, Aug. 184.00-186.00.

Soyabean Oil—Oct. 23.00-22.90 (23.27), Dec. 19.80 (20.05), Jan. 19.20-19.15, March 18.95, May 18.75-19.70, July 18.50.

Sugar—Contract No 11 Spot 9.65 (same), Oct. 9.69 (9.67-9.65), March 9.05-9.03 (9.15-9.12), May 8.76-8.76, July 8.55, Sept. 8.31, Oct. 8.17 Sales: 2,697.

Tin—238.87 asked (239.25 asked).

**Wheat—Dec. 472-474 (479½-479½), March 469-470 (477½-477½), May 453-455, July 406-406.

WINNIPEG, Sept. 27. ††Rye—Oct. 332½ bid (341), Dec. 295½ (302½ asked), May 296½, July 291½.

cOats—Oct. 154 (same), Dec. 145 nom. (same), May 141½ nom., July 139½ nom.

§Barley—Oct. 226 bid (226½ bid), Dec. 226½ asked (227½ asked), May 222½ bid, July 224½ nom.

dFlaxseed—Oct. 892 bid (852 bid), Nov. 878 bid (838 bid), Dec. 865 bid, May 865 bid, July 863 bid.

Wheat—ICWRS 13.5 per cent. protein content St. Lawrence 580½ (581½).

All cents per pound ex-warehouse unless otherwise stated. *Cents per 60-lb bushel ex-warehouse. †Chicago loose $'s per 100 lbs — Dept. of Ag. prices previous day. Drummed $'s per 10 lbs f.o.b. NY. ‡‡Cents per troy ounce ex-warehouse. b New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Decatur and Illinois. ‡$'s per troy ounce for 50-ounce units of 99.8 per cent. purity delivered NY. ♣ New contract. **Cents per 60-bushel in store. ††Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. c Cents per 34-lb bushel. §Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. dCents per 56-lb bushel ex-warehouse, 1,000-bushel lots.

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GRIMSBY FISH—Supply fair, demand moderate. Prices per stone: Shelf cod 2.40-2.60; codlings 1.80-2.20; shelf haddocks 2.30, small haddocks 1.60-1.80; large plaice 2.40, small plaice 2.00-2.30; skinned dogfish 3.20-3.60; coalfish 80p-90p; catfish 1.26.

★

COTTON—Liverpool. Spot and shipment sales in Liverpool amounted to 440 metric tons bringing the total for the week to 838 tons, reports F. W. Tattersall. Scattered operations did not bring any major offtake, but more demand was experienced in various American type varieties. Spinners were searching for forward supplies in view of scarcity problems.

THE FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscriptions $120.00 (air freight) $243.30 (air mail) per annum. Second class postage paid at New York, N.Y.

INTERIM STATEMENTS

Pilkington white-collar pay deal approved

BY OUR LABOUR REPORTER

THE PAY BOARD has given the go-ahead for pay and holiday improvements for 4,500 white collar staff at Pilkingtons.

After some delay the Board has allowed two days more holiday for the staff in addition to £1 plus 4 per cent. pay increases.

The delay was caused in checking the details of last year's pay agreement and the Board has decided that the two days should be allowed because it was agreed before the pay freeze was announced last November and was due to operate before April 1 this year.

As the white-collar staff—members of the Association of Scientific, Technical and Managerial Staffs—previously received more than three weeks' holiday they would not otherwise under Phase Two rules have been entitled to holiday improvements in addition to £1 plus 4 per cent. pay rises.

The approved deal also provides for a 4 per cent. increase in shift allowances and a 2 per cent. merit pay increase and a similar deal for 850 foremen has also been passed by the Board.

Present average earnings of the white-collar staff range from £1,000 to £2,500 a year.

London traffic lights danger spreads

MORE THAN 180 traffic lights in London have been put out of action by an unofficial strike by maintenance men.

Police said bulbs were running out, lights were sticking and some were out of timing.

About 600 traffic lights—half London's total—are maintained by GEC Elliot.

At GEC members of the Technical and Supervisory section of the Amalgamated Union of Engineering Workers were offered pay increases in line with the Government's Phase Two regulations, said a company spokesman. All depots agreed to the increase except the 120 men at Waterloo and Wembley, who went on unofficial strike two weeks ago.

BBC radio writers' claim fails

A MOVE by authors to have their bargaining procedures with BBC Radio examined by the Commission on Industrial Relations has failed.

The National Industrial Relations Court yesterday rejected an application by the Writers' Guild of Great Britain and the Society of Authors for a reference to the Commission.

The writers had claimed that the lack of formal procedures, providing for independent arbitration in the event of disagreement, was hindering good industrial relations.

Behind the claim lay the writers' long-standing grievance over the minimum rates paid by the BBC for radio plays and scripts.

Giving the court's reserved judgment, the President, Sir John Donaldson, said that because of the nature of the writers' relationship and contracts with the Corporation, they were neither "workers" nor "employees" of the BBC.

They did not constitute a "unit of employment," as defined by the Industrial Relations Act, which could have its bargaining procedures dealt with by the court or the Commission.

Forward Trust staff closer to ASTMS

BY OUR LABOUR REPORTER

MR. CLIVE JENKINS' Association of Scientific, Technical and Managerial Staffs has taken a further step towards a merger with the 750-member staff association at Forward Trust, the finance house subsidiary of the Midland Bank.

The Forward Trust Staff Association executive has unanimously endorsed more talks towards a possible merger, subject to a ballot later this year.

Leaders of the Midland Bank Staff Association have already recommended a merger with ASTMS and a ballot, conducted by the Industrial Society, is to be held at the end of November, and a result is expected in January.

With ASTMS seeking to enter the clearing banks, a membership battle with the established National Union of Bank Employees is already hotting up.

NUBE yesterday claimed it had recruited 200 new members in the Midland Bank in the last two weeks while the bank's staff association claims to have picked up some 400 recruits—some of them former NUBE members—and lost only 50 since the merger ballot was announced three weeks ago.

Both NUBE and ASTMS have planned a series of regional rallies to win over Midland staff and influence their vote in the merger ballot. Both unions are also busily stepping up their contacts with other staff associations.

NUBE lost its protection against encroachment into clearing banks by other unions following its expulsion from the TUC for remaining registered.

"Tennis elbow an industrial disease" plea

A LABOUR MP is asking the Government to include "tennis elbow" on the official list of industrial diseases.

Mr. John Forrester, MP for Stoke-on-Trent North, claims the disease affects thousands of his constituents who work in the pottery industry.

He says they cannot get compensation for the illness which they get through the repetitive nature of their jobs. Mr. Forrester is writing to Sir Keith Joseph at the Department of Health and Social Security demanding the disease is put on the schedule of industrial illnesses which warrant benefit.

Mr. Forrester said yesterday: "I am very concerned that people who suffer from this illness cannot at the moment claim any kind of compensation like other industrial diseases. I want medical evidence to prove conclusively that the disease is being caused by working conditions."

Pay differentials 'cause of Swan Hunter strike'

BY OUR OWN CORRESPONDENT

SOUTH SHIELDS, Sept. 27.

SHOP STEWARDS leading the 16-day-old strike of 1,000 welders in the Swan Hunter shipbuilding yards on the Tyne were last night criticised by their fellow shop stewards among the other boilermaking trades.

The stoppage, over a bonus claim, has already put nearly 2,000 other workers out of jobs, mostly boilermakers, and more men can be expected to be laid off next week.

The other boilermaking shop stewards claimed that the bonus demand was not at the root of the trouble. They condemned the welders' opposition to the agreed union policy of getting pay parity for all the boilermaking trades. A new agreement was about to be negotiated with Swan Hunter, to come into force early next year, but the welders wanted to keep their pay differentials and do their own negotiating.

Mr. Terry Daly, one of the leading boilermaking shop stewards and a member of the Tyne district committee of the Boilermakers' Society, said: "The welders are out because the rest of the boilermakers wholeheartedly agree that in the next pay deal there should be parity right across the board. Some of the welders' shop stewards are creating anarchy because they cannot get what they want.

"Thousands of Swan Hunter workers have been put on the streets and this is grossly unfair. There is nothing to stop the welders from going back to work and putting their case through the proper channels."

Mr. Joe Wilkes, a platers' shop steward and chairman of the district committee, emphasised that the welders could not expect to negotiate separate agreements from the other boilermakers. "They have got to get back into line and do the thing properly," he declared. The 12 shop stewards leading the dispute have had their credentials withdrawn by the union for breaking the rules.

PERKINS BACK TO NORMAL

The dispute at the Perkins diesel engine plant in Peterborough ended yesterday when 300 maintenance men who banned overtime three weeks ago over what they called pay anomolies, voted to resume normal work immediately.

They agreed to lift all restrictions pending the outcome of talks between their shop stewards and the management.

Earlier, the management had warned that, if the ban continued, the company would lose valuable orders and the jobs of some of the 5,000 production workers would be threatened.

rikes cost car industry 5m. days by August

ELLIOTT, LABOUR EDITOR

his year cost the istry nearly 1.5m. ys by the end of ording to statistics -day by the Department ployment.

, pushed higher this roubles at Chrysler h Leyland and elsensiderably above the a similar period last just over 1m. days

Even so, these figures do not tell the full picture of the effects of motor industry strikes because they only account for days lost by strikers themselves and those laid off at the strikers' plants. Workers laid off elsewhere are not included in the figures which means, for example, that the "sit-in" now ending at the motor component factory of Adwest Engineering will have had a far greater impact on motor production than will be shown in the official figures.

The Department's statistics, published in the September edition of its monthly Gazette, show that 1,403,000 days were lost from January to August in 215 motor industry disputes involving a total 347,500 workers. Comparable figures for last year are 1.027,000 days in 152 disputes involving 174,700 workers.

These figures show that motor factories have the worst industrial record in the U.K. this year, followed by the main engineering industry, which lost 909,000 working days by the end of August. The "metal manufacture" section of the industry lost 426,000 days.

Overall, however, the strike figures for all U.K. industries and occupations are considerably better than last year, reflecting a reduction in active militancy under the Government's statutory wages controls.

By the end of August, the U.K. total of working days lost was 4.8m. compared with 19.8m. in the same period last year which was dominated by strikes against the Government's informal wage restraint policy.

sgow's failure to e rents

OWN CORRESPONDENT GLASGOW, Sept. 27

from Mr. Gordon ecretary of State for Glasgow Corporation ividual Labour counng attention to the comments on the ounts by the failure to cil rents and the s of this action proy scenes at to-day's the Corporation.

After wrangling for nearly an hour on procedure it was agreed by 61 votes to 22 to remit the letter with powers to a committee of six to draw up the official reply.

This was necessary in view of the time factor of 14 days before the Corporation was called upon to decide on new rent increases.

Union leader raps 'poor industrial relations at BL'

BY JOHN WYLES, LABOUR STAFF

A CLAIM that British Leyland's industrial relations are poor and that the company has failed to modernise and make profits, is made in a strong attack to-day by Mr. Jim Conway, general secretary of the engineering section of the Amalgamated Union of Engineering Workers.

Writing in his union journal, Mr. Conway, recently returned after a nine months' illness, also turns a critical eye on the AUEW which he says has achieved very little for the people it represents. He urges more action by the union in fighting for higher pensions.

The AUEW has several thousand members in British Leyland plants and Mr. Conway's broadside is the strongest public criticism yet delivered by a union leader of the recent managerial shake-up.

He says that the company's structure is outdated and the management "too personally involved with in-fighting and personal prestige to make profits."

The problem of "too many lieutenants and too few generals" in British Leyland makes it "small wonder that its industrial relations are poor," says Mr. Conway. He will be one of a number of union leaders meeting British Leyland in York next month to hear an explanation of the recent managerial changes.

The one man exempted from Mr. Conway's criticism of management is Mr. Pat Lowry, industrial relations director, "who has a very high reputation with the trade unions and we of the AUEW are proud to work with him."

Mr. Conway finds though, that the company's lack of profits means in effect that it is easier to bargain with Sir Arnold Weinstock, managing director of GEC, than with Lord Stokes, the British Leyland chairman.

Council manual workers pay falling behind, says union

BY OUR LABOUR STAFF

THE RELATIVE wage position of 900,000 local authority manual workers is still worsening according to a document submitted to the Pay Board to-day by their union representatives.

The report claims that the local authority workers' guaranteed minimum earnings level is below that paid to "a typical family" receiving unemployment or supplementary benefit. It says that the difference between local authority earnings and average earnings for men has grown from £5.64 in 1970 to £7.03 in May 1973 and is likely to reach £10 by November.

Board report

The arguments are aimed at influencing the Pay Board's report on pay relativities which is due to go to the Government before the end of the year.

The local authority manual workers' case, prepared jointly by the General and Municipal Workers and the National Union of Public Employees, will be followed by a similar document covering 220,000 hospital ancillary workers which is due to go to the Pay Board early next week.

Many of the details which have been sent to the Pay Board have been included in the submissions accompanying the local authority manual workers' pay claims over the past two years.

The workers' national joint council will be meeting next month on the union claim for a £25 a week minimum wage, which would mean a £5.15 a week increase in basic rates. If Phase Three increases are eventually accepted, the unions want the Government to allow special supplementary payments outside its wage limits for low paid workers.

The unions' submission tells the Pay Board that the result of the low paid position is an ageing local authority manual workforce —46 per cent. over 50 years old. It warns of serious problems because of the failure to hold and recruit younger workers.

It also compares the status of local authority workers with those in other European countries and argues that the work is given a higher social value elsewhere—in Sweden, says the union report, local authority workers are paid the average wage.

Jobs plan for Scottish ex-prisoners

LOCAL TRAINING councils may be set up by the Scottish Home and Health Department to interest potential employers of ex-prisoners.

The department, in its report for 1972 on Scottish prisons, says it plans, in consultation with local social work departments and the Department of Employment, to monitor the labour market to find jobs for ex-prisoners trained in custody.

The report says the the department would maintain contact with employers who undertook the employment and further training of trainees after their release.

For the first time in seven years there was a decrease of 2.2 per cent.—to 5,220 in the average daily number of people held in custody.

NOTICE OF REDEMPTION
to the holders of

Argentine Republic

Floating Rate Notes 1977

NOTICE IS HEREBY GIVEN, that pursuant to the Fiscal Agency Agreement dated as of October 28, 1970, there has been selected for redemption on October 31, 1973, through operation of the Sinking Fund, $5,000,000 principal amount of Argentine Republic Floating Rate Notes 1977. The following are the serial numbers of the Floating Rate Notes which will be redeemed, in whole or in part:

Floating Rate Notes in the principal amount of $1,000 bearing the prefix A to be redeemed in whole.

Serial Number	Principal Amount to be Redeemed	Serial Number	Principal Amount to be Redeemed	Serial Number	Principal Amount to be Redeemed	Serial Number	Principal Amount to be Redeemed	Serial Number	Principal Amount to be Redeemed	Serial Number	Principal Amount to be Redeemed	Serial Number	Principal Amount to be Redeemed	Serial Number	Principal Amount to be Redeemed
29	1,000	888	1,000	1369	1,000	1908	1,000	2246	1,000	2647	1,000	3459	1,000	3900	1,000
90	1,000	889	1,000	1400	1,000	1910	1,000	2248	1,000	2649	1,000	3461	1,000	3901	1,000
95	1,000	902	1,000	1411	1,000	1912	1,000	2250	1,000	2666	1,000	3462	1,000	3923	1,000
106	1,000	913	1,000	1440	1,000	1915	1,000	2253	1,000	2679	1,000	3473	1,000	3936	1,000
120	1,000	914	1,000	1447	1,000	1920	1,000	2256	1,000	2705	1,000	3481	1,000	3938	1,000
165	1,000	932	1,000	1448	1,000	1931	1,000	2273	1,000	2706	1,000	3482	1,000	3939	1,000
168	1,000	933	1,000	1460	1,000	1934	1,000	2277	1,000	2708	1,000	3483	1,000	3942	1,000
169	1,000	943	1,000	1462	1,000	1939	1,000	2286	1,000	2709	1,000	3497	1,000	3952	1,000
170	1,000	958	1,000	1464	1,000	1968	1,000	2289	1,000	2731	1,000	3501	1,000	3960	1,000
190	1,000	965	1,000	1466	1,000	1969	1,000	2290	1,000	2765	1,000	3518	1,000	3966	1,000
192	1,000	979	1,000	1486	1,000	1973	1,000	2291	1,000	2769	1,000	3533	1,000	3977	1,000
194	1,000	990	1,000	1495	1,000	1981	1,000	2292	1,000	2787	1,000	3536	1,000	3979	1,000
195	1,000	991	1,000	1502	1,000	1984	1,000	2295	1,000	2832	1,000	3537	1,000	3990	1,000
198	1,000	992	1,000	1510	1,000	1985	1,000	2300	1,000	2857	1,000	3552	1,000	3993	1,000
258	1,000	994	1,000	1511	1,000	1993	1,000	2306	1,000	2861	1,000	3555	1,000	3998	1,000
297	1,000	1011	1,000	1523	1,000	1998	1,000	2307	1,000	2873	1,000	3559	1,000	4005	1,000
309	1,000	1012	1,000	1527	1,000	2003	1,000	2308	1,000	2874	1,000	3572	1,000	4009	1,000
310	1,000	1014	1,000	1528	1,000	2012	1,000	2309	1,000	2884	1,000	3577	1,000	4023	1,000
318	1,000	1025	1,000	1547	1,000	2015	1,000	2312	1,000	2919	1,000	3587	1,000	4031	1,000
319	1,000	1049	1,000	1548	1,000	2016	1,000	2319	1,000	2924	1,000	3590	1,000	4037	1,000
347	1,000	1074	1,000	1550	1,000	2020	1,000	2322	1,000	2926	1,000	3605	1,000	4043	1,000
361	1,000	1079	1,000	1553	1,000	2035	1,000	2332	1,000	2927	1,000	3608	1,000	4045	1,000
366	1,000	1080	1,000	1558	1,000	2056	1,000	2333	1,000	2946	1,000	3609	1,000	4047	1,000
370	1,000	1081	1,000	1562	1,000	2064	1,000	2334	1,000	2979	1,000	3611	1,000	4048	1,000
371	1,000	1082	1,000	1583	1,000	2065	1,000	2341	1,000	2987	1,000	3613	1,000	4052	1,000
372	1,000	1084	1,000	1587	1,000	2066	1,000	2369	1,000	2988	1,000	3628	1,000	4063	1,000
373	1,000	1085	1,000	1609	1,000	2067	1,000	2370	1,000	2989	1,000	3639	1,000	4081	1,000
374	1,000	1086	1,000	1612	1,000	2079	1,000	2371	1,000	3001	1,000	3640	1,000	4084	1,000
487	1,000	1092	1,000	1615	1,000	2086	1,000	2373	1,000	3015	1,000	3650	1,000	4096	1,000
509	1,000	1093	1,000	1655	1,000	2093	1,000	2399	1,000	3018	1,000	3658	1,000	4102	1,000
536	1,000	1126	1,000	1663	1,000	2096	1,000	2402	1,000	3020	1,000	3660	1,000	4105	1,000
558	1,000	1138	1,000	1667	1,000	2097	1,000	2403	1,000	3021	1,000	3661	1,000	4106	1,000
561	1,000	1139	1,000	1683	1,000	2098	1,000	2404	1,000	3078	1,000	3675	1,000	4112	1,000
562	1,000	1162	1,000	1688	1,000	2099	1,000	2419	1,000	3093	1,000	3689	1,000	4114	1,000
564	1,000	1163	1,000	1690	1,000	2103	1,000	2420	1,000	3094	1,000	3690	1,000	4115	1,000
575	1,000	1164	1,000	1702	1,000	2104	1,000	2429	1,000	3109	1,000	3701	1,000	4138	1,000
596	1,000	1170	1,000	1704	1,000	2106	1,000	2446	1,000	3129	1,000	3702	1,000	4141	1,000
617	1,000	1184	1,000	1709	1,000	2108	1,000	2447	1,000	3130	1,000	3703	1,000	4151	1,000
631	1,000	1189	1,000	1711	1,000	2112	1,000	2448	1,000	3204	1,000	3716	1,000	4156	1,000
637	1,000	1209	1,000	1717	1,000	2113	1,000	2449	1,000	3213	1,000	3725	1,000	4161	1,000
644	1,000	1230	1,000	1718	1,000	2114	1,000	2450	1,000	3219	1,000	3729	1,000	4162	1,000
646	1,000	1241	1,000	1743	1,000	2121	1,000	2451	1,000	3220	1,000	3739	1,000	4176	1,000
649	1,000	1250	1,000	1745	1,000	2123	1,000	2452	1,000	3222	1,000	3752	1,000	4178	1,000
691	1,000	1252	1,000	1747	1,000	2125	1,000	2456	1,000	3231	1,000	3753	1,000	4186	1,000
692	1,000	1253	1,000	1750	1,000	2130	1,000	2457	1,000	3235	1,000	3758	1,000	4187	1,000
693	1,000	1274	1,000	1753	1,000	2142	1,000	2468	1,000	3254	1,000	3762	1,000	4211	1,000
700	1,000	1275	1,000	1754	1,000	2146	1,000	2490	1,000	3277	1,000	3775	1,000	4218	1,000
708	1,000	1279	1,000	1782	1,000	2147	1,000	2491	1,000	3278	1,000	3778	1,000	4222	1,000
709	1,000	1285	1,000	1787	1,000	2148	1,000	2494	1,000	3289	1,000	3779	1,000	4223	1,000
720	1,000	1290	1,000	1789	1,000	2159	1,000	2495	1,000	3302	1,000	3801	1,000	4227	1,000
721	1,000	1294	1,000	1807	1,000	2160	1,000	2499	1,000	3318	1,000	3805	1,000	4228	1,000
727	1,000	1295	1,000	1812	1,000	2185	1,000	2500	1,000	3329	1,000	3812	1,000	4258	1,000
728	1,000	1312	1,000	1819	1,000	2199	1,000	2525	1,000	3340	1,000	3813	1,000	4259	1,000
729	1,000	1313	1,000	1837	1,000	2202	1,000	2537	1,000	3347	1,000	3822	1,000	4262	1,000
765	1,000	1335	1,000	1838	1,000	2204	1,000	2577	1,000	3348	1,000	3833	1,000	4280	1,000
777	1,000	1336	1,000	1843	1,000	2210	1,000	2580	1,000	3350	1,000	3834	1,000	4284	1,000
803	1,000	1344	1,000	1844	1,000	2216	1,000	2581	1,000	3351	1,000	3837	1,000	4293	1,000
805	1,000	1345	1,000	1846	1,000	2217	1,000	2584	1,000	3370	1,000	3838	1,000	4302	1,000
806	1,000	1355	1,000	1849	1,000	2219	1,000	2590	1,000	3390	1,000	3854	1,000		
807	1,000	1357	1,000	1867	1,000	2223	1,000	2612	1,000	3397	1,000	3861	1,000		
808	1,000	1358	1,000	1868	1,000	2225	1,000	2616	1,000	3400	1,000	3869	1,000		
826	1,000	1359	1,000	1881	1,000	2229	1,000	2617	1,000	3401	1,000	3877	1,000		
850	1,000	1360	1,000	1883	1,000	2236	1,000	2621	1,000	3409	1,000	3879	1,000		
851	1,000	1363	1,000	1888	1,000	2243	1,000	2625	1,000	3423	1,000	3880	1,000		
879	1,000	1367	1,000	1905	1,000	2244	1,000	2645	1,000	3430	1,000	3899	1,000		

Floating Rate Notes in the principal amount of $10,000 bearing the prefix B and the principal amount to be redeemed.

Serial Number	Principal Amount to be Redeemed	Serial Number	Principal Amount to be Redeemed	Serial Number	Principal Amount to be Redeemed	Serial Number	Principal Amount to be Redeemed	Serial Number	Principal Amount to be Redeemed	Serial Number	Principal Amount to be Redeemed	Serial Number	Principal Amount to be Redeemed	Serial Number	Principal Amount to be Redeemed
3	1,000	230	2,000	486	2,000	679	2,000	954	3,000	1066	2,000	1144	4,000	1215	2,000
6	1,000	236	1,000	488	2,000	681	2,000	971	1,000	1067	1,000	1146	2,000	1217	2,000
7	1,000	237	3,000	490	1,000	683	1,000	972	1,000	1069	3,000	1148	1,000	1218	1,000
9	2,000	247	2,000	492	1,000	687	1,000	974	2,000	1070	1,000	1149	1,000	1219	1,000
16	1,000	255	2,000	494	2,000	690	3,000	977	1,000	1071	2,000	1150	2,000	1220	1,000
22	1,000	257	3,000	495	3,000	692	2,000	980	1,000	1072	1,000	1151	2,000	1221	1,000
25	2,000	264	1,000	503	1,000	700	1,000	983	2,000	1074	3,000	1152	1,000	1222	1,000
34	2,000	265	2,000	510	5,000	702	4,000	997	1,000	1075	2,000	1155	3,000	1223	3,000
36	2,000	269	2,000	512	1,000	709	1,000	1000	1,000	1078	3,000	1157	2,000	1224	1,000
39	1,000	270	2,000	516	1,000	712	3,000	1003	2,000	1081	1,000	1158	2,000	1225	1,000
43	2,000	277	3,000	517	2,000	734	1,000	1005	2,000	1082	1,000	1159	2,000	1227	1,000
44	1,000	281	4,000	519	2,000	736	5,000	1007	1,000	1083	2,000	1161	1,000	1228	1,000
46	1,000	282	1,000	521	2,000	738	2,000	1008	1,000	1084	1,000	1162	2,000	1229	2,000
48	1,000	283	3,000	523	1,000	741	1,000	1009	2,000	1085	2,000	1163	2,000	1230	1,000
49	1,000	289	2,000	527	1,000	743	2,000	1011	1,000	1086	2,000	1165	2,000	1231	2,000
57	1,000	300	3,000	532	3,000	744	1,000	1013	1,000	1087	1,000	1166	2,000	1233	1,000
58	2,000	307	1,000	533	3,000	747	1,000	1014	2,000	1088	3,000	1167	2,000	1234	2,000
62	1,000	317	1,000	536	1,000	748	1,000	1016	2,000	1090	2,000	1168	2,000	1235	2,000
63	1,000	322	2,000	538	1,000	751	1,000	1017	1,000	1091	1,000	1170	1,000	1236	1,000
76	1,000	324	2,000	542	1,000	752	1,000	1019	2,000	1092	1,000	1171	2,000	1237	1,000
80	3,000	328	1,000	544	2,000	754	1,000	1020	1,000	1094	3,000	1172	2,000	1238	1,000
82	1,000	329	1,000	547	1,000	755	1,000	1021	1,000	1096	1,000	1173	1,000	1239	1,000
91	1,000	330	1,000	548	1,000	756	2,000	1022	1,000	1098	2,000	1174	2,000	1240	2,000
98	3,000	332	3,000	551	1,000	757	2,000	1023	1,000	1099	2,000	1176	1,000	1241	1,000
106	2,000	335	3,000	555	1,000	759	1,000	1024	1,000	1100	1,000	1177	2,000	1242	2,000
108	1,000	338	2,000	558	4,000	760	2,000	1027	2,000	1101	2,000	1178	3,000	1243	1,000
110	2,000	340	1,000	559	1,000	764	1,000	1028	2,000	1103	1,000	1179	1,000	1244	1,000
113	1,000	346	2,000	567	3,000	765	3,000	1029	1,000	1104	2,000	1180	1,000	1246	1,000
117	1,000	349	2,000	568	1,000	767	2,000	1030	1,000	1105	2,000	1181	2,000	1247	2,000
121	2,000	350	3,000	575	3,000	769	2,000	1031	2,000	1107	1,000	1183	2,000	1248	1,000
123	1,000	365	2,000	587	4,000	779	2,000	1033	1,000	1108	2,000	1184	1,000	1249	1,000
128	2,000	376	3,000	591	3,000	780	1,000	1034	2,000	1109	2,000	1185	1,000	1250	3,000
134	2,000	390	1,000	592	1,000	782	3,000	1035	2,000	1110	1,000	1186	1,000	1251	2,000
152	2,000	397	2,000	595	3,000	787	3,000	1037	1,000	1112	1,000	1187	2,000	1253	1,000
160	2,000	399	1,000	603	2,000	789	3,000	1038	1,000	1113	2,000	1188	2,000	1255	3,000
163	1,000	400	2,000	606	3,000	794	1,000	1039	2,000	1114	1,000	1190	4,000	1257	1,000
168	1,000	402	2,000	611	1,000	797	1,000	1040	1,000	1115	1,000	1192	3,000	1260	2,000
169	1,000	406	2,000	617	1,000	798	1,000	1042	3,000	1116	2,000	1193	2,000	1261	2,000
174	1,000	410	1,000	622	3,000	800	2,000	1043	1,000	1118	3,000	1194	1,000	1262	1,000
178	1,000	423	1,000	624	1,000	801	1,000	1044	1,000	1120	1,000	1196	3,000	1263	1,000
180	1,000	424	2,000	638	2,000	803	2,000	1046	3,000	1122	1,000	1197	1,000	1265	2,000
183	1,000	431	3,000	642	2,000	808	2,000	1047	1,000	1124	4,000	1198	1,000	1267	1,000
184	2,000	435	3,000	644	1,000	809	2,000	1048	2,000	1125	3,000	1199	1,000	1271	1,000
189	2,000	440	2,000	649	1,000	812	1,000	1049	1,000	1127	1,000	1200	1,000	1272	1,000
195	1,000	443	1,000	652	4,000	817	1,000	1050	2,000	1128	2,000	1201	3,000	1273	1,000
204	2,000	448	3,000	657	2,000	819	3,000	1052	1,000	1129	1,000	1203	1,000	1274	1,000
206	4,000	451	1,000	660	2,000	823	2,000	1053	2,000	1131	3,000	1204	1,000	1275	2,000
207	2,000	452	2,000	661	2,000	824	1,000	1054	1,000	1132	1,000	1205	2,000	1276	1,000
212	2,000	455	1,000	662	2,000	929	3,000	1055	1,000	1133	2,000	1206	2,000	1278	1,000
214	2,000	456	2,000	663	3,000	930	1,000	1056	1,000	1135	2,000	1207	1,000	1279	1,000
219	3,000	460	3,000	665	3,000	933	1,000	1057	1,000	1136	1,000	1208	1,000		
220	1,000	465	2,000	667	2,000	937	2,000	1058	2,000	1137	1,000	1209	2,000		
222	2,000	468	2,000	668	1,000	939	1,000	1059	2,000	1138	2,000	1210	1,000		
224	3,000	470	2,000	671	2,000	942	1,000	1061	2,000	1139	2,000	1211	2,000		
225	1,000	473	1,000	672	1,000	945	3,000	1062	1,000	1140	1,000	1212	1,000		
227	2,000	474	1,000	675	1,000	952	1,000	1064	2,000	1141	2,000	1213	1,000		
229	2,000	476	3,000	678	2,000	953	1,000	1065	1,000	1142	1,000	1214	3,000		

Floating Rate Notes in the principal amount of $100,000 bearing the prefix C and the principal amount to be redeemed.

Serial Number	Principal Amount to be Redeemed	Serial Number	Principal Amount to be Redeemed	Serial Number	Principal Amount to be Redeemed	Serial Number	Principal Amount to be Redeemed	Serial Number	Principal Amount to be Redeemed	Serial Number	Principal Amount to be Redeemed	Serial Number	Principal Amount to be Redeemed	Serial Number	Principal Amount to be Redeemed
163	8,000	179	15,000	195	12,000	212	20,000	228	12,000	244	11,000	260	14,000	276	12,000
164	9,000	180	14,000	196	11,000	213	18,000	229	15,000	245	9,000	261	5,000	277	14,000
165	10,000	181	15,000	197	13,000	214	10,000	230	11,000	246	4,000	262	13,000	278	10,000
166	11,000	182	15,000	198	11,000	215	12,000	231	15,000	247	7,000	263	12,000	279	13,000
167	14,000	183	16,000	199	7,000	216	12,000	232	13,000	248	15,000	264	18,000	280	13,000
168	12,000	184	16,000	200	14,000	217	8,000	233	13,000	249	13,000	265	13,000	281	9,000
169	11,000	185	15,000	201	11,000	218	12,000	234	9,000	250	16,000	266	17,000	282	12,000
170	14,000	186	16,000	202	17,000	219	8,000	235	12,000	251	14,000	267	11,000	283	11,000
171	14,000	187	12,000	203	9,000	220	6,000	236	14,000	252	12,000	268	15,000	284	11,000
172	14,000	188	9,000	204	16,000	221	8,000	237	15,000	253	11,000	269	14,000	285	13,000
173	12,000	189	14,000	205	15,000	222	12,000	238	14,000	254	16,000	270	16,000	286	12,000
174	9,000	190	7,000	206	19,000	223	17,000	239	14,000	255	15,000	271	12,000	287	12,000
175	7,000	191	14,000	207	12,000	224	10,000	240	10,000	256	15,000	272	12,000	288	13,000
176	14,000	192	9,000	208	11,000	225	21,000	241	13,000	257	11,000	273	12,000	289	14,000
177	13,000	193	11,000	209	14,000	226	15,000	242	12,000	258	12,000	274	10,000	290	13,000
178	14,000	194	20,000	210	12,000	227	11,000	243	11,000	259	15,000	275	13,000	291	4,000

Floating Rate Notes in the principal amount of $500,000 bearing the prefix D and the principal amount to be redeemed.

Serial Number	Principal Amount to be Redeemed	Serial Number	Principal Amount to be Redeemed	Serial Number	Principal Amount to be Redeemed	Serial Number	Principal Amount to be Redeemed	Serial Number	Principal Amount to be Redeemed	Serial Number	Principal Amount to be Redeemed	Serial Number	Principal Amount to be Redeemed	Serial Number	Principal Amount to be Redeemed
47	69,000	52	62,000	57	62,000	61	65,000	65	59,000	69	65,000	73	64,000	77	63,000
48	64,000	53	62,000	58	57,000	62	64,000	66	61,000	70	59,000	74	65,000	78	62,000
49	64,000	54	61,000	59	65,000	63	61,000	67	63,000	71	65,000	75	63,000	79	60,000
50	59,000	55	63,000	60	63,000	64	59,000	68	68,000	72	59,000	76	65,000	80	62,000
51	57,000	56	65,000												

Subject to the deposit with the Fiscal Agent under said Fiscal Agency Agreement of cash in the amount required for the Sinking Fund, the Floating Rate Notes or portions thereof so designated for redemption will become and be due and payable at one-hundred percent (100%) of the principal amount thereof in United States dollars, at the option of the holder, either (a) at the Corporate Trust Office of Bankers Trust Company, One Battery Park Plaza, New York, New York 10008 or (b) subject to any laws or regulations applicable thereto in the country where any of the following offices is located, at the main office of the Fiscal Agent in London and Paris, or at the Office of Banque du Benelux-La Luxembourgeoise in Luxembourg-Ville.

The Floating Rate Notes should be presented with all coupons maturing after October 31, 1973. Coupons maturing on October 31, 1973 and prior thereto should be detached and surrendered for payment in the usual manner. From and after October 31, 1973, interest on the redeemed Floating Rate Notes or portions thereof to be redeemed will cease to accrue.

Certain Floating Rate Notes which were called for redemption in part on October 31, 1972 have not been presented for payment. The following Floating Rate Notes in the principal amount of $10,000, numbers B615 and B820 were called for redemption for $1,000 each. The Floating Rate Notes in this paragraph should be presented with all coupons maturing after October 31, 1972.

The holder of any Floating Rate Note which is redeemed in part only, upon surrender thereof as above provided, shall obtain in exchange for the unredeemed portion thereof at no additional cost an equal aggregate principal amount of Floating Rate Notes of authorized denominations.

BANKERS TRUST COMPANY
Fiscal Agent

Dated September 28, 1973

هكذا من الأصل

Hotel building rush leads to more empty beds

BY ARTHUR SANDLES

THE TEMPORARY surfeit of hotel rooms in some parts of Britain, thanks to the rush of building in the past two years, is having its impact on occupancy rates—beds filled compared with beds available.

In June, the first peak month of this year, bed occupancy was 56 per cent. compared with 59 per cent. in the same period of 1972.

At the same time room occupancy was 65 per cent., compared with 69 per cent. a year earlier. There was a particularly heavy fall in London bed occupancies.

Also hard hit have been the areas with a traditional high business demand like the West and East Midlands and the Thames and Chiltern areas. Over the past two years bed occupancies have dropped from an average of 62 per cent. in the Thames and Chiltern area to 50 per cent.

In June, this year, West Country bed occupancy rates were 5 per cent. lower than a year earlier. While these areas have been losing, others have been showing a rise in occupancies, according to figures produced by the English Tourist Board.

The South East, East Anglia and Yorkshire all have seen marginally better business than a year before.

In the London area, however, average bed occupancy dropped from 73 per cent. to 65 per cent. in the year. In the 12 months from June, 1972, some 18,000 additional bed spaces were provided in the London area by the new building programme.

In spite of all the talk about high prices, the more expensive hotels have fared better in the new competitive market than cheaper ones. In large towns hotels charging £3.50 a night or more were on average 9 per cent. more full than those charging less.

There are signs of a higher proportion of foreign travellers in provincial hotels, and a slight decline in the proportion of overseas visitors in London hotels, showing that foreign tourists are beginning to get out and about.

● While hotels have a problem with declining overall custom they are also encountering increasing difficulty in finding staff. A campaign is being launched in the north-east of England to combat the acute shortage of manpower in the hotel and catering industry.

The drive will be headed by Mr. John E. Dean, manager of the Gosforth Park Hotel in Newcastle. He will relinquish his post with Thistle Hotels on December 31 and will be seconded to the British Hotels, Restaurants and Caterers Association.

This pilot scheme is to be the basis for a national campaign by the association. It aims to attract more recruits, both school leavers and older people.

Thorn in U.S. display panel pact

Financial Times Reporter

THORN ELECTRICAL Components has signed a provisiona agreement with the Panelgraphi Corporation of the U.S. to estab lish a jointly-owned company i Britain for the European produ tion and marketing of informa tion display panels and relate components.

The new enterprise, to b called Thorn-Panelgraphic, wi have exclusive manufacturin and selling rights in the U.K and Europe for the combine panel products of the tw companies.

The product lines of the tw companies are complementar and the agreement will n necessitate any products bein dropped by either company.

The agreement is subject approval by appropriat governmental authorities bot in Britain and the U.S.

GLC leader in No. 10 rent rise protest

A LAST attempt to stop rent increases of about 50p a week for more than 3m. Londoners was made to Mr. Edward Heath, the Prime Minister, yesterday.

Sir Reg Goodwin, Labour leader of the Greater London Council, led a deputation of three to 10, Downing Street where they delivered a letter.

Sir Reg said: "This is a last bid to try to make Mr. Heath see sense and stop the increases which are due on Monday for more than 2m. people living in council homes in London, and which will be followed by increases for private tenants."

Sir Reg was asked if he would consider copying the tactics of local councillors at Clay Cross, Derbyshire.

He said: "We are not prepared to flout the law, however bad that law may be."

Part of the letter to Mr. Heath says: "It is regrettable that you are unable to find the time to receive the leaders of local government in London on this vitally important matter.

"In the context of the current wage and price freeze we feel most strongly that these increases cannot be justified.

"As our previous representations to your Ministers have met with blank refusals to consider our pleas we see no point in taking up your suggestion of meeting them once again.

"In our opinion, legislation is not necessary to enable relief to be given. Therefore we ask you to intervene at this late hour to stop these inflationary increases and thereby give credibility to your wage and prices policy."

● New rent levels proposed by Greater London Council for tenants at Thamesmead should be cut by 35 per cent., says a report published yesterday.

The report was carried out by the GLC's request by Miss Della Nevitt of the Centre for Environmental Studies, after protests at the level of proposed fair rents was too high.

Miss Nevitt suggests a fair average rent of £5.15 a week, compared with the GLC's asses ment of £7.92. She considere that the tenants' suggestion £3.62 was too low. Fair rent she said, should be around 85 p cent. higher than in 1967.

● The new North East Derb shire District Council is plannin to follow the example of t rebel councillors of Clay Cro when it comes into power a refuse to implement the Gover ment's Housing Finance Act.

The controlling group, co prising 33 Labour membe including six from Clay Cros have decided that when th take over next April coun house tenants who have paid t increase since the Act came in operation last October will reimbursed.

Cadbury Schweppes
LIMITED

INTERIM STATEMENT

Results for the 24 weeks ended 16th June, 1973:

		1973 £000	1972 £000
Group turnover	UK	107,878	92,538
	Overseas	70,602	52,505
		178,480	145,043
Group trading profit	UK	8,200	7,308
	Overseas	6,069	4,045
		14,269	11,353
Share of associated companies' losses less profits		(310)	35
		13,959	11,388
Investment income		1,383	279
		15,342	11,667
Interest payable		1,700	1,112
Group profit before taxation		13,642	10,555
Taxation		6,723	4,672
		6,919	5,883
Profit attributable to minority interests		591	274
		6,328	5,609
Extraordinary items		142	—
Profit attributable to Cadbury Schweppes Limited		6,470	5,609
Interim Dividend on Ordinary Stock		1,923	2,600
Profit retained		4,547	3,009

Adjusting the 1972 figures to include the subsidiaries acquired in the second half of that year and to take account of the change in basis of accounting for McVitie and Cadbury Cakes Limited, the comparative figures for 1972 are turnover £153.2m and group profit before taxation £11.1m.

Interim Dividend

The Directors have declared an Interim Dividend of 2.625% on the Ordinary Stock which, after taking account of the 1-for-3 capitalisation issue on 31st May, 1973 is equivalent to the rate paid for the Interim Dividend declared last year before the change to the imputation system of taxation. The dividend will be paid on 2nd January, 1974 to stockholders on the Register of Members at the close of business on 30th November, 1973.

Figures for the half year ended 16th June 1973 show a continuance of the steady growth forecast in my Chairman's Statement in March this year. A point of particular significance for stockholders is the much higher growth rate outside the U.K. This year we show overseas and home earnings separately. Accelerated growth outside the home market must continue to be one of your Board's main objectives. This international growth not only serves the interests of stockholders but we believe benefits the UK economy as a whole. It is surprising that the contribution made by overseas trading companies such as our own receives scant recognition from Government, presumably because overseas earnings are not classified as exports.

It has been your Board's policy for several years now to seek to give stockholders more information about the Company which they own. We hope in this way to encourage stockholders to take an interest in our Company which extends beyond the acquisition of stock. We take this policy further at this time by issuing a booklet entitled "These are our Brands" specially prepared to keep stockholders better informed about our range of products.

There are also a number of other matters which I would wish to report to stockholders in this Interim Report.

We said in our Review of Trading Operations in June that we would endeavour to co-operate with the Price Commission and Pay Board in their tasks of restraining inflation. Co-operation in holding down prices has been made extremely difficult for all concerned by the drastic and continuous rise in the costs of nearly all the services and raw materials which we need. For example cocoa, since this time last year, has shown an increase of over 100 per cent, coffee over 30 per cent, sugar 25 per cent, milk powder nearly 40 per cent, sultanas and raisins over 25 per cent, biscuit flour over 37 per cent. We have not sought to exploit this situation as we could have done. We have endeavoured to maintain existing margins. So, due to more efficient operation and the benefits of the merger, our prices have, to date, risen much less than commodities.

Your Board took a decision some years ago that we would not deal in commodities, only seek to secure adequate supplies of raw materials for manufacturing purposes. Because we prudently purchased well ahead in most areas, we have continued to eke out our supplies as long as practical and thus hold down prices to the consumer. During the year we have passed back to our customers in reduced prices the savings arising from the removal of Purchase Tax.

Your Company operates in many countries where rising populations and a justifiable demand for a higher standard of living will tend to keep commodity prices up, even if world crop prospects become more favourable. This inevitably means higher prices for our customers in Britain than in the past, although the cost of British food still compares favourably with most other countries. Increased standards of living in Africa or India or in the Far East must be in the long term interests of Britain as well as your Company and should surely be welcomed.

In Europe we are already well on the way to a record year. Our acquisition of Slotts in Sweden has proved a successful venture and is now combined with our other Swedish activities. We have acquired a major stake in Loyola, a Spanish confectionery company. We have increased our direct investment in our activities in France and Belgium and we are currently negotiating acquisitions in a number of other European countries. Our Australian company is building one of the largest soft drinks factories in the world near Melbourne. In the United States we have a new confectionery factory in course of construction and a new plant near Toronto which, with improvements at our Montreal factory, will materially increase our Canadian capacity. In South Africa we have formed a jointly-owned company with South African Breweries Limited to increase our strength in the soft drinks field.

We have had a preliminary review of our Pension Schemes in the light of the Social Security Act 1973 and we are very pleased to report that we anticipate that our general arrangements should lead to approval by the Pension Board in due course without significant alteration, and, as indicated in my annual statement, actuarial valuations are currently being made.

In the past both Cadbury's and Schweppes were amongst the pioneers of better human relationships in industry. It is your Board's wish to give a further lead in this direction and we are now engaged in informal consultations with trade unions and management which we sincerely hope will lead to agreement to carry out an experiment in wider participation in the processes of decision making across all the home operations of your Company.

We look forward to achieving another record year of progress in 1973 for the benefit of stockholders and all those who work with us at home and overseas.

Watkinson

The Rt. Hon. Viscount Watkinson, PC, CH. (Chairman)

Copies of the above Statement will be sent to all Stockholders. Further copies are available from the Secretary, Cadbury Schweppes Limited, 1-10, Connaught Place, London, W2 2EX.

APPOINTMENTS

Executive posts at George Wimpey

Mr. D. G. Fitzgerald has been appointed a managing director of GEORGE WIMPEY & COMPANY. Mr. T. T. Candlish, Mr. A. W. Nicol and Mr. P. J. Ward have become directors.

★

Mr. W. N. Hugh Jones has been appointed director-general for England and Wales of the ENGLISH SPEAKING UNION.

★

Mr. Edward H. Wignall has been appointed deputy industrial relations adviser (advisory), ELECTRICITY COUNCIL, in succession to Mr. Graham Bellamy who has retired.

★

Mr. T. B. Bindoff is to become managing director of CROGGON & COMPANY from January 1, 1974.

★

Mr. D. B. Brownlie, Mr. B. E. Copeman and Mr. A. R. Keevill have been appointed directors of VULCASCOT, a subsidiary of Samengo-Turner Holdings.

★

Mr. David Morley-Smith has been appointed a non-Executive director of RUBERY OWEN (WREXHAM).

★

Mr. Donald Davies is to become a full-time member of the NATIONAL COAL BOARD on October 1, to concentrate on marketing and also opencast mining operations. He will be succeeded as the Board's South Wales Area Director by Mr. Philip Weekes.

★

The following appointments have been made by the COMMERCIAL BANK OF AUSTRALIA to take place in February. Mr. J. G. Perry, general manager, banking; Mr. David Dobbie, assistant general manager, branch banking division; Mr. H. A. F. Byrnes, assistant general manager, corporate and international division; Mr. G. S. Davis, assistant general manager, group services; and Mr. K. W. Christie, chief London manager.

Mr. K. W. P. Marshall, the present general manager, banking, is retiring.

★

Mr. Geoffrey Crompton has been appointed from October 1, as a director of CLARKSON HOLT and JOHN W. HOLT.

★

Mr. Peter J. Le Bosquet has been appointed to the new post of director/chief executive of the FLOREAT MARKETING GROUP.

★

Mr. Reginald Berry, formerly a director and general manager of Forward Leasing, a member of the Midland Bank Group, has become managing director of HILL SAMUEL LEASING COMPANY.

★

Mr. Malcolm H. W. Wells, managing director, Charterhouse Finance Corporation, has been appointed chairman of CHARTERHOUSE JAPHET from October 1. He will succeed Mr. Hilton S. Clarke who is retiring from the Board of that company and of Charterhouse Finance Corporation. Mr. Clarke remains an executive director of the Charterhouse Group and has been elected chairman of Atlantic International Bank in which Charterhouse Japhet are partners.

Mr. Malcolm Wells

★

Mr. R. W. Wragg, managing director of NORTH DERBYSHIRE ENGINEERING COMPANY retires at the end of September.

★

Mr. John Mengers has been appointed managing director of S. SIMPSON from October 23, in succession to Mr. Frederick Brame who will continue as deputy chairman and finance director of the company.

★

Mr. M. F. Rawlence and Mr. E. M. P. Welman have been appointed to the Board of LONDON TRUST COMPANY from October 1.

★

Mr. A. Carrick Smith, Mr. G. M. Gascoine and Mr. P. D. Melvill have been appointed to the Board of CLIVE HOLDINGS.

★

Mr. John Austin has been appointed managing director of J. MANN & SON, a subsidiary of Rotary Hoes.

★

Dr. T. Flitcroft has been appointed assistant group managing director of UNIVERSAL GRINDING from October 1. He will retain his position as managing director, diamond products division, but will in addition assume certain group responsibilities.

★

Mr. R. A. D. Brooks, Mr. K. Dalwood and Mr. P. W. Stone have been promoted associate directors of the FIRST NATIONAL FINANCE CORPORATION. Mr. Haydn Davies has joined FNFC in Birmingham and has assumed overall responsibility for its merchant banking activities in the Midlands.

★

Mr. D. G. H. Frank, Q.C., has been appointed a member of the LANDS TRIBUNAL from October 1 with a view to his succeeding Sir Michael Rowe as president of the Tribunal when the latter retires at the end of the year.

★

Mr. E. J. Morgan has been appointed a director of VAYNOR QUARRIES and continues as secretary. Mr. John Cotter, a director of the company, has also been made general manager. The company is a subsidiary of Powell Duffryn.

★

Mr. John Cashmore, joint managing director of HANIMEX (U.K.), is to become a full director of HANIMEX CORPORATION.

★

Mr. E. B. Stuttard has been appointed a director of ENQUIRY SYSTEMS.

★

Mr. C. J. Waddingham has joined the Board of HCB-ANGUS.

★

Mr. G. A. Dubois has been appointed managing director of STALEN STEIGER HOLLAND B.V., the Dutch operating subsidiary of SGB Group.

★

Mr. Derek Roberts is to be managing director of the microsystems division of the PLESSEY COMPANY from November 1 to succeed Mr. L. A. Smulian, who has been released by Plessey to head the telecommunications division with the EEC Commission.

★

Mr. A. H. Coe has been appointed group financial director of REFUGE SECURITIES.

★

Mr. P. G. P. Hodgson and Mr. J. R. Pound, joint managing directors of Petrocon, have joined the main Board of ASHFORD CONTROLS. Mr. A. P. Dobbins and Mr. R. Powell have also been appointed to the main Board of Ashford Controls.

★

Mr. P. J. Sweet has been appointed to the Board of H. CLARKSON AND COMPANY (REINSURANCES) from October 1.

★

Sir William Mather, Mr. N. C. Macdiarmid and Mr. J. E. Norton have been appointed directors of INTERNATIONAL COMPRESSED AIR CORPORATION. Mr. J. Bruce has become company secretary in place of Mr. P. R. Fyson, who continues as an executive director.

★

Mr. T. K. Winnard will be appointed to the Board of J. L. EVE CONSTRUCTION COMPANY from October 1.

★

Mr. E. C. McVey has been appointed a director of CHEVRON OIL (U.K.) and also of Chevron Oil Service Company and Chevron Oil (Ireland).

HOME CONTRACTS

Chapman-Thompson wins £2m. shipyard order

Clarke Chapman-John Thompson has been awarded a contract worth over £2m. for seven 60-ton capacity electric level luffing jib cranes by Govan Shipbuilders.

The first of the cranes is due for commissioning in July, 1974, and the remaining six are scheduled for completion at intervals up to mid-1975.

★

Cross International has received an order from Ford South Africa, worth £200,000, for a palletised transfer machine for the production of crankshafts.

★

Haddon-Oldham has installed, through its Tungstone Products subsidiary, 37 high-performance stationary battery systems worth more than £100,000 at the Pembroke generating station to provide essential and back-up power supplies.

The order was placed by the Central Electricity Generating Board's Southern Project Group.

★

John Howard (Northern) has secured from Shell U.K. a contract worth more than £200,000 for work on the shore installation at Amlwch. This will form part of the Anglesey marine terminal for an oil pipeline to Stanlow, Cheshire, and work will start shortly.

★

Christiani and Nielsen has been awarded a £1m. contract for the re-development of a 29-acre gas works site in the Port of Shoreham. Work will start shortly and should be finished within a year.

Total cost to the Port Authority of the project will be about £2m.

Shepherd Construction has been awarded a £1.2m. contract by Leeds Corporation for the erection of a multi-storey divisional police headquarters and fire post.

The contract period is 25 months, and work has already commenced.

★

W. Canning and Co. has won orders for electroplating plant worth nearly £1m. Industries to be supplied include those in the electrical, electronics, aircraft, automobile and office equipment fields.

Westinghouse Automation of England has been awarded a contract by the Belgian electricity authority, Société pour la Coordination de la Production et du Transport de l'Energie Electrique SA. Worth over £500,000, it is for a control system for the national dispatching of 380kV power supplies.

★

Alfa-Laval has receved an order worth £500,000 to instal a high-pressure filtration system as part of the new Anchor Project at the British Steel Corporation's plant in Scunthorpe. Work is scheduled for completion during 1974.

★

Alexander Hall and Son (Builders), a member of Aberdeen Construction Group, has been awarded a £275,000 contract for the erection of an old people's home in Elgin, together with roads and associated site works.

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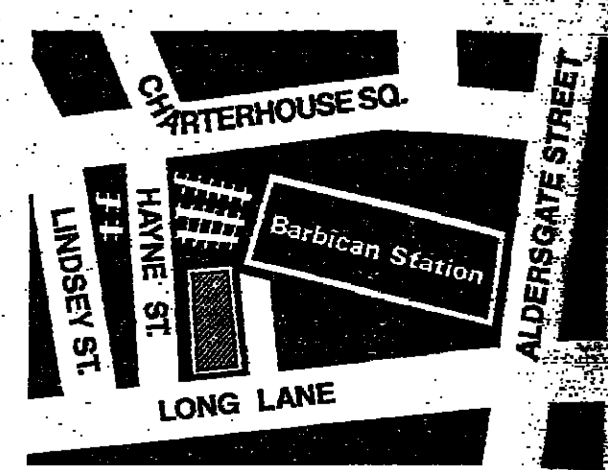

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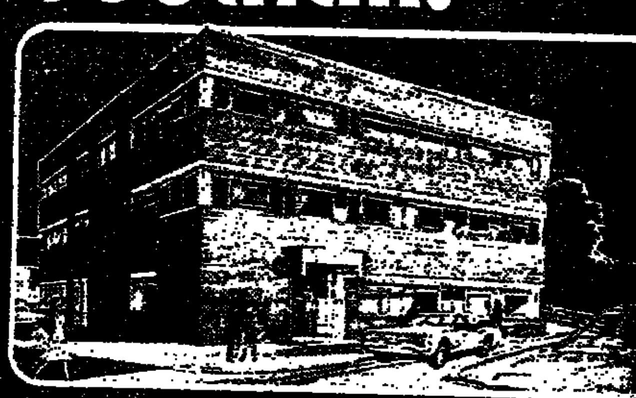

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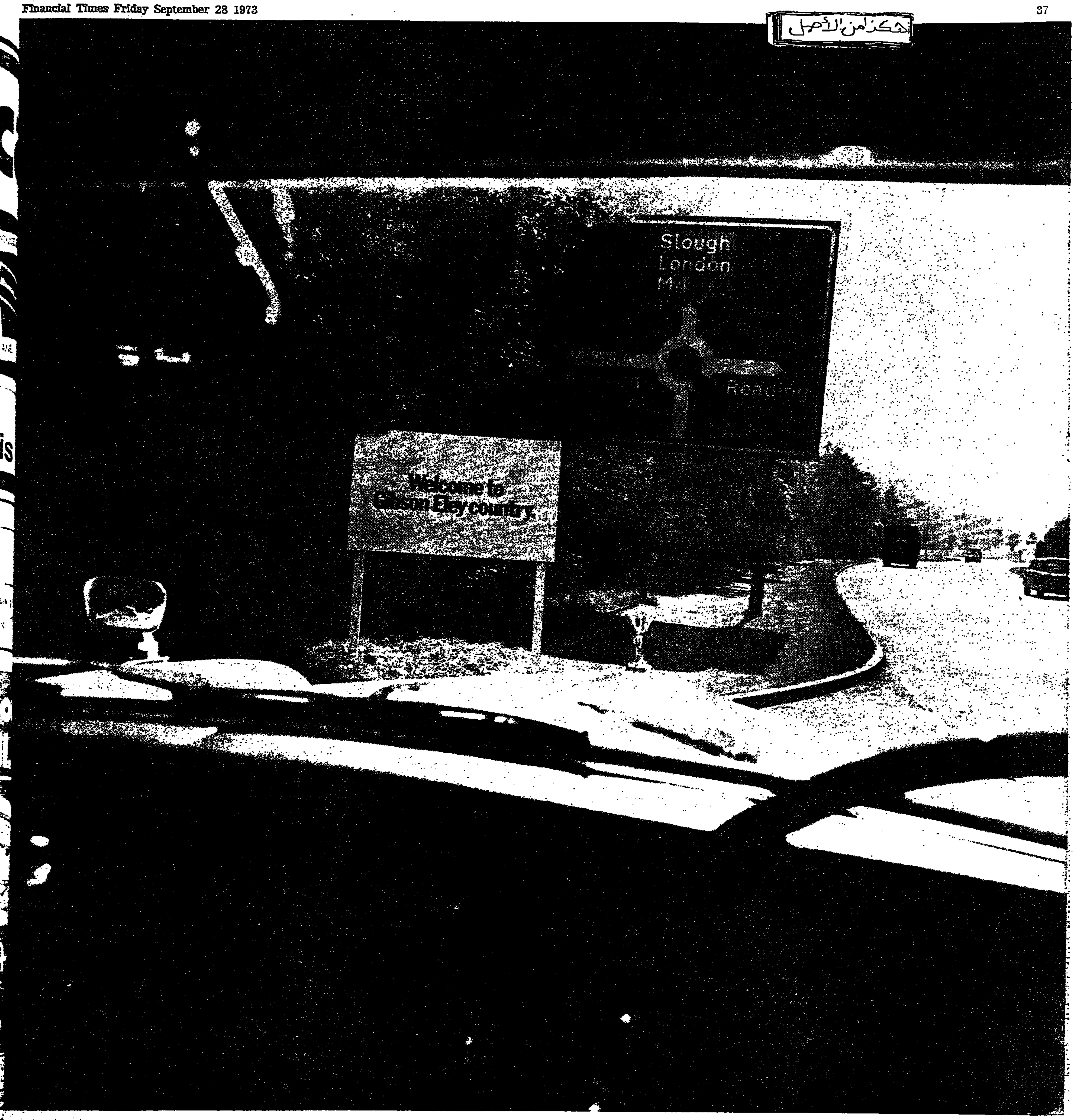

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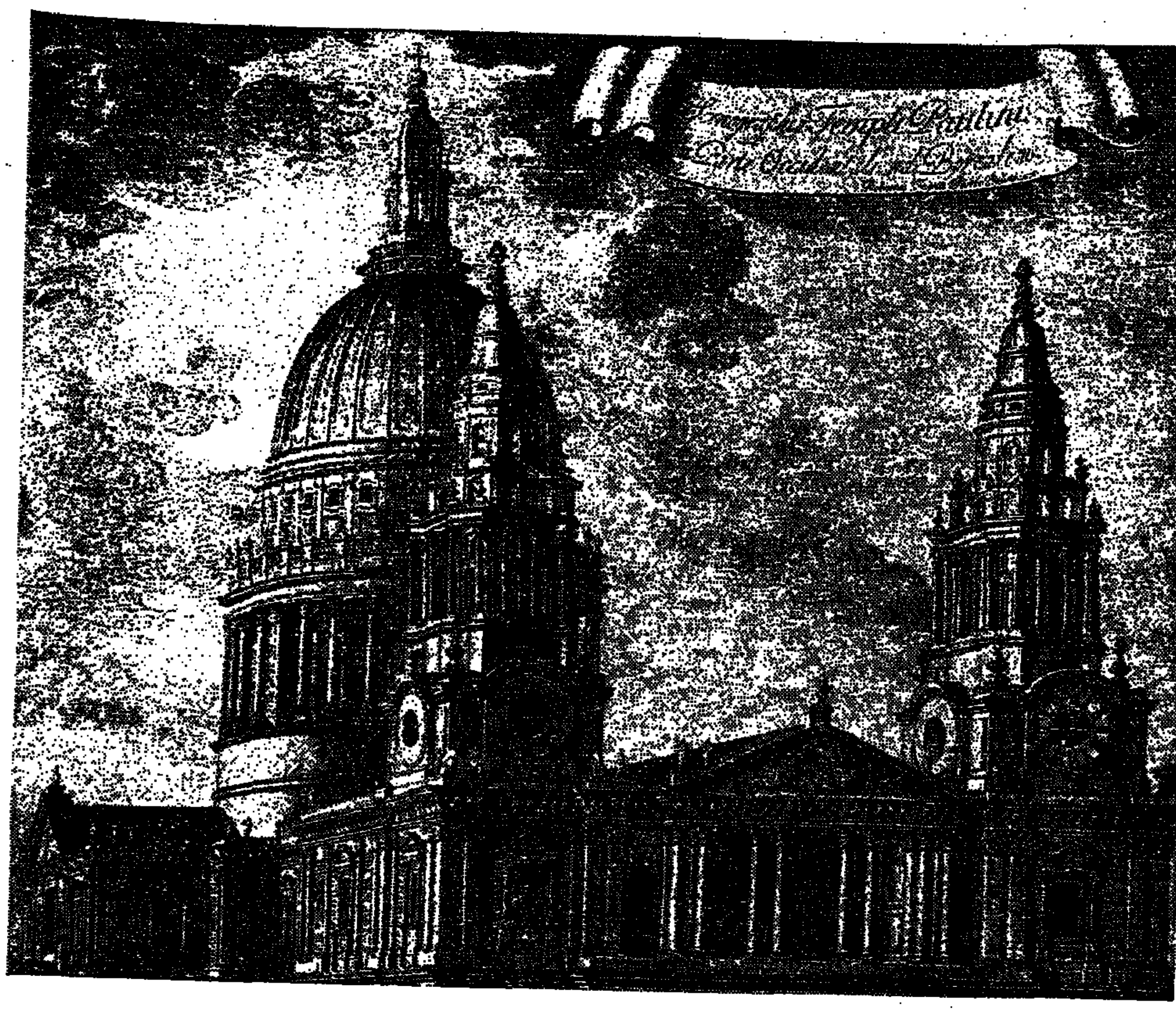

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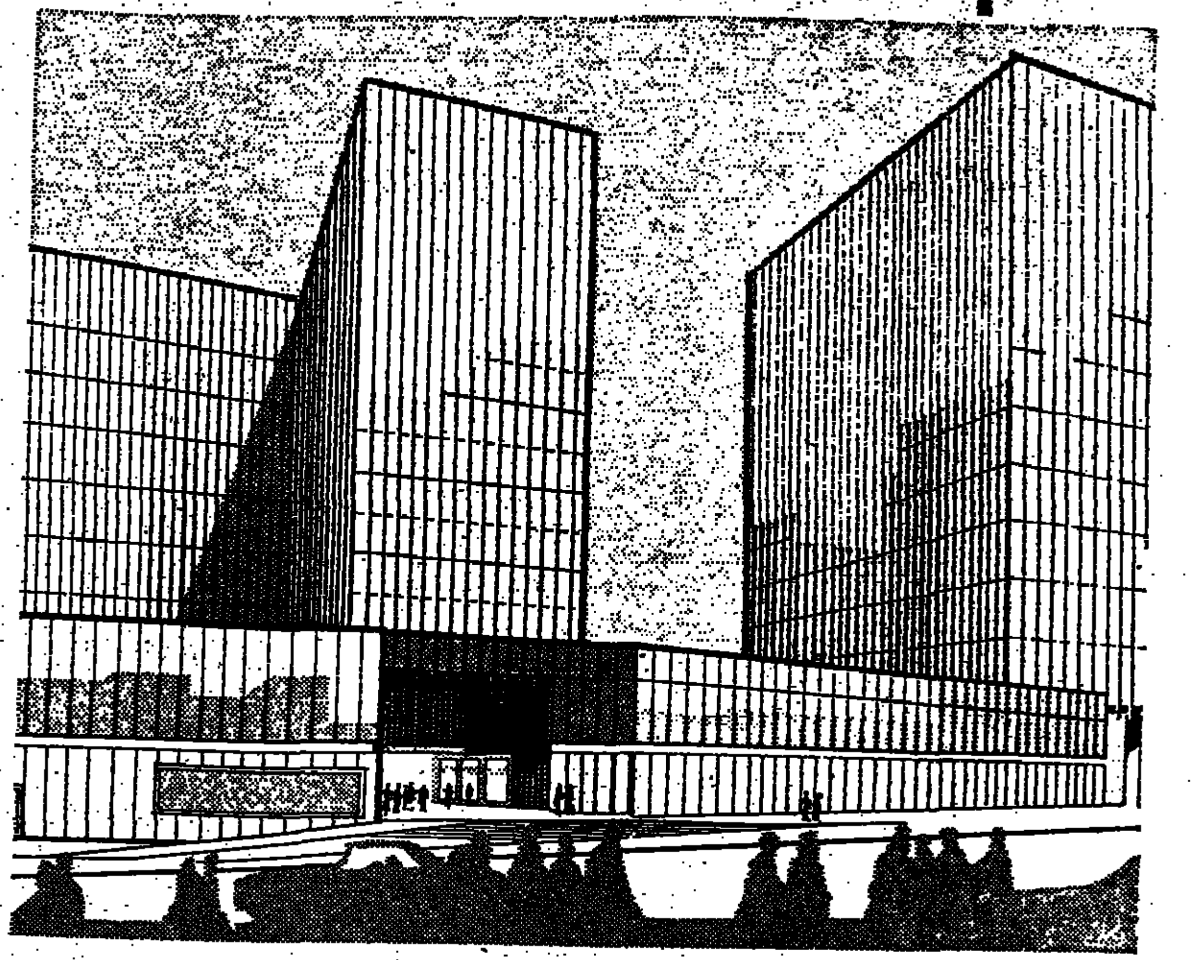

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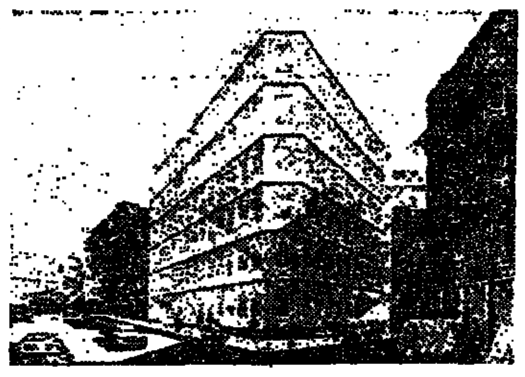

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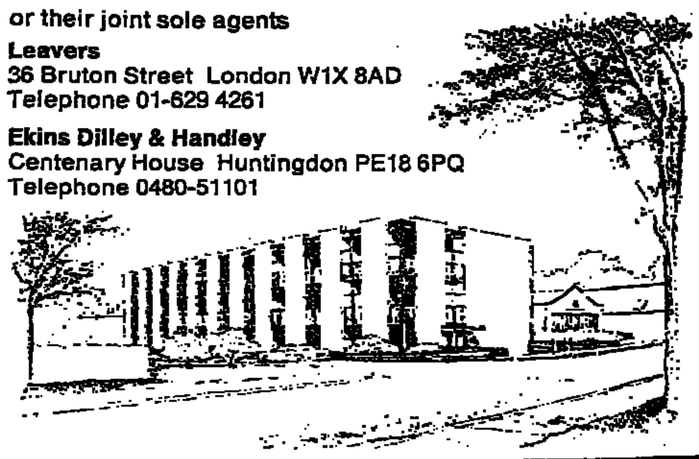

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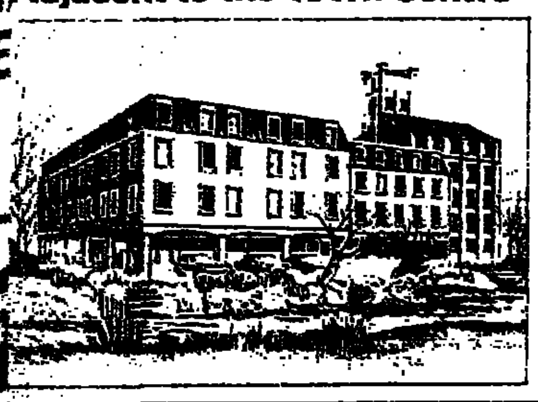

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WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Profit-taking cuts advance to 3.77

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Sept. 27.

PROFIT-TAKING wiped out most of a forceful early gain on Wall Street to-day, but left prices higher than at yesterday's close to take the market's advance into its seventh consecutive session.

The Dow Jones Industrial Average closed 3.77 up at 953.27 having been ahead almost 10 points at 1.30 p.m. The NYSE All Stocks Index, which at one stage had been 42 cents ahead, closed at $58.80 for an overall gain of 13 cents.

Advances outnumbered declines 867 to 628 in a heavy turnover of 23.66m. shares, compared with 21.53m. yesterday.

Many investors, moreover, remained on the sidelines in observance of Rosh Hashahnah, the Jewish New Year.

The early strong gain was attributed partly to falling short-term interest rates and partly to rumours that a mid-West bank would cut is prime rate. South-west Bank of St. Louis later cuts its prime rate from 10 per cent. to 9¾ per cent.

Analysts suggested that the Dow advance of almost 74 points recently had gone too far, too fast.

Coastal States Gas was the most active issue, climbing $1½ to $9⅞ on total turnover of 1.46m. shares. The issue last traded June 5, when the Securities and Exchange Commission suspended it because of rumours concerning the accuracy of estimates by the company of its natural gas reserves.

Southern Company closed at $18⅞, up $½. Trading in the issue included a block of 300,000 shares at $18.

Running against the market, General Tire fell $2⅛ to $19⅛ on lower August quarter operating net. In other Rubber Industry issues, Uniroyal was unchanged at $12, Firestone lost $¾ to $21¼, Goodrich added $⅜ to $23⅞ and Goodyear eased $⅛ to $24⅜.

Eastern Airlines was off $1⅛ to $8⅜ in active trading. Directors of Eastern—which has run into financial turbulence this year—are expected to announce soon the dismissal of the company's chief operating officer.

Pan American World Airways gained $¼ to $6⅜ but Trans World Airlines dipped $7¼ to $22⅜.

Price movements were mixed on the American Stock Exchange, where the Index was off 13 cents at $105.47, after being 83 cents ahead at one stage.

Volume was moderate at 3.02m. shares, compared with 3.73m. yesterday, and advances led declines 446 to 379.

Industrials put on 0.23 to 223.71, while Papers added 1.52 to 150.61, Western Oils 1.16 to 245.60, Banks 1.12 to 276.34 and Utilities 0.14 to 142.45. Golds yielded 1.07 to 267.52 and Base Metals 0.31 to 106.38.

General Motors was up $2¼ at $68¾, but International Mogul Mines eased $3¾ to $11. Tara Exploration lost $2¼ to $11½ and Northgate Exploration $1 to $4.90.

PARIS—Well maintained with investors encouraged by the slight easing of rates on the money market.

Banks, Portfolios, Buildings, Engineerings, Foods, Electricals, Oils and Chemicals were firmer, but Stores eased slightly.

Le Nickel, which reported a net loss for the half-year to June 30, added 25 centimes to Frs.69.35 while Pennarroya, which reported net first-half profit, declined fractionally.

Americans continued higher under the influence of Wall Street. Oils and Golds also gained.

BRUSSELS—Prices gained in slightly more active trading. Steels, Chemicals, Industrials and Mines improved, but in Electricals Intercom lost Frs.30 to Frs.1,900.

All three Petrofinas gained, as did Golds Dutch, German and U.S. stocks. De Beers, RTZ, Tanks, Pechiney, Paribas and Zamanglo also rose.

AMSTERDAM — Royal Dutch weakened slightly in otherwise firmer Dutch Internationals led by Akzo, up Fls.7 to Fls.69.5.

Plantations were irregular, while Shippings, Banks and Insurances generally gained.

Gains predominated in Dutch locals.

SWITZERLAND—Prices of Swiss stocks closed sharply higher in very active trading.

The rally was triggered by six consecutive sessions of gains at Wall Street, an expected easing of interest rates on the money market, and the general feeling that investors have become tired of the nine-month-old market dullness.

Banks, Chemicals and some Financials showed broad gains, and other Industrials and Insurances also closed higher.

Among the day's favourites, Union Bank jumped Sw.Frs.140 to Sw.Frs.4,050, Bank Corp. Sw.Frs.130 to Sw.Frs.3,550 and Credit Suisse Sw.Frs.140 to Sw.Frs.3,560. Sandoz put on Sw.Frs.95 to Sw.Frs.3,225 and Ciba-Geigy Bearer shares Sw.Frs.70 to Sw.Frs.1,950.

MILAN—After the opening, prices declined further in increasing activity. All sectors suffered marginal losses.

Montedison was again affected by strong sales, dropping lire 10½ to 799½.

OSLO—Banks and Shippings barely steady, but Insurances well maintained. Industrials irregular.

VIENNA—Irregular in livelier trading. Banks and leading Industrials improved slightly.

COPENHAGEN — Generally firmer in quiet trading.

GERMANY — Prices advanced over a broad front, with main buying interest stemming from investment funds and foreign purchasers.

Leading issues rose with Banks, Chemicals and Electricals firming DM1 to DM3.50. Engineerings and Steels closed up to DM3 higher while among Motors, Daimler rose DM6.50 to DM327.50 and BMW DM2 to DM244. Among secondary issues Schering rose DM7.50 to DM.411.50, but Metallgesellschaft fell DM8 to DM228.

On the Bond market Public issues were mixed.

HONG KONG—Prices edged upwards in slightly increased trading.

Hong Kong Bank gained 50 cents to $HK27 on its local register and 20 cents to $HK26.40 on its London register. Hang Seng Bank lost $HK1 to $HK136.00.

Other gainers included Hong Kong Land, Hong Kong Telephone, Hong Kong and Kowloon Wharf and Hutchison. Jardine added $HK1.50 to $HK76.

Turnover totalled $HK69.99m.

AUSTRALIA—Mines and Industrials were marginally higher, but Oils continued slightly easier in slow trading. The Melbourne exchange was closed for a State holiday.

In Mines, CRA rose 27 cents to $A8.73, a fresh reflection of the proposed one-for-one bonus issue.

Peko-Wallsend added 5 cents to $A5 while Mt. Lyell put on 2 cents to $A1.32. Poseidon, after gaining 4 cents, fell back to an unchanged $A6.

In Industrials Comalco gained 5 cents to $A2.35 and Lend Lease 8 cents to $A3.30. BHP shed 12 cents to $A7.31, Tooheys the same amount to $A2, and E.Z. Industries 3 cents to $A3.32.

Coles lost 4 cents to $A1.50 and Myers 1 cent to $A2.56. CSR added 5 cents at $A4.05 while Bank of New South Wales picked up 4 cents to $A6.80.

In Oils Woodside-Burmah dropped 2 cents on profit-taking.

TOKYO—Opened steady, but improved towards the close, helped by the continued advance on Wall Street. With volume at 100m. shares, the SE Index added 5.08 to 350.09.

Shipbuildings met good demand following reports that Ishikawajima Harima—up Y16 at Y218—will sign a contract to build six mammoth oil tankers for National Bulk Carriers. Mitsui Shipbuilding rose Y7 to Y415 and Kawasaki Heavy Ind. Y10 to Y206.

Sony was another market leader, closing at Y4,750, up Y220 on rumours that foreign investors had resumed buying some of the leading Japanese stocks.

Chemicals advanced on expectations of good results due to a sharp rise in chemical product prices, and Paper-Pulps, Steel Mills, Cements, Non-Ferrous Metals, Motors and Electricals also gained.

JOHANNESBURG—Gold shares were quietly firmer, P Brand ing 25 cents at R18.25 and D Deep 10 cents at R10.20.

Platinums also improved other metals were quiet and tested. There was little trad Mining Financials.

Industrials were irregul generally light dealings. Breweries and Fed. Stores exceptions following tak terms.

OTHER MARKETS

Canada up again

Prices had risen slightly by noon yesterday in active trading on Canadian markets.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport ‡	Indus *	Util. Φ	Trading volume* 000's
Sept. 27	72.67	176.66	953.27	103.97	23,660
26	72.64	176.49	949.50	102.82	21,130
25	72.58	174.37	940.56	101.42	21,630
24	72.24	173.75	936.71	101.13	19,490
21	72.18	172.47	927.90	100.65	23,760
20	72.02	170.07	920.63	99.75	25,960
19	71.96	168.37	910.37	99.57	24,570
18	71.98	163.07	891.26	96.83	16,400
17	71.96	162.67	892.99	98.80	15,100
14	71.97	162.57	886.36	98.45	13,760
13	71.99	160.32	880.67	98.70	11,670
12	72.06	160.06	881.32	98.96	12,040
11	72.15	160.32	885.76	99.15	12,690
10	72.00	162.18	891.53	100.08	11,620
7	72.07	162.88	898.65	100.84	14,950
1973 High	75.54 (18/1)	228.10 (2/1)	1051.70 (11/1)	120.72 (2/1)	—
Low	71.35 (16/8)	151.97 (22/8)	851.90 (22/8)	94.55 (16/8)	—

‡ All-time high 279.88 (7/2/69).
Φ All-time high 163.22 (20/4/65).
† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Sept. 24	Sept. 14	Sept. 22, 1972
3.63	3.80	3.31

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1973 High	1973 Low	Thurs.	Wed.	Tues.	Mon.	Fri.
65.48 (11/1)	56.56 (6/7)	58.80	58.67	58.25	57.91	57.73

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,816	867	628	321

	Thurs.	Wed.	Tues.	Mon.	Fri.
New Highs	61	64	65	68	70
" Lows	4	4	8	7	10

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1973 High	1973 Low	Thurs.	Wed.	Tues.	Mon.	Fri.
105.60 (25/9)	99.75 (17/9)	105.47	105.60	104.65	103.81	102.75
Volume (000's)		3,029	3,735	3,725	3,390	3,416

STANDARD AND POORS U.S. STOCK INDICES

	*Ind. Ord.	†Composite
Sept. 27	122.59	109.26
" 26	122.15	108.93
" 25	121.30	108.05
" 24	120.32	107.36
" 21	120.39	107.20
" 20	119.95	106.76
" 19	118.91	105.88
" 18	118.42	103.77
1973 High	134.03 (5/1)	120.17 (5/1)
1973 Low	112.97 (22/8)	102.62 (22/8)

* 425 Industrials. † 425 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	Sept. 27	Sept. 19	Sept. 27 1972
Ind. Ord. yield pc	2.77	2.85	2.57
Ind. Ord. p/e ratio	15.67	15.26	19.41
Long-term Govt. Bds. pc	5.96	6.09	5.70

THURSDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Coastal States Gas	1,160,500	9⅞	+2⅞
Gulf Oil	427,300	25⅜	+⅛
Southern Co.	378,400	18⅞	+½
Bethlehem Steel	351,600	33¼	−⅛
Bath. Ind.	314,900	20	+⅞
How. John	310,800	20⅛	+¼
Int. Tel. and Tel.	264,100	38⅛	−⅛
Eastern Air Lines	206,200	8⅜	−1⅛
UAL Inc.	204,400	23¼	+¼
Amer. Tel. and Tel.	197,60	52	+⅛

TORONTO

INDUSTRIAL INDEX

Sept. 27	Sept. 26	1973 High	1973 Low
223.90	223.48	252.80 (12/1)	202.43 (22/5)

MONTREAL

INDUSTRIAL INDEX

Sept. 27	Sept. 26	1973 High	1973 Low
254.66	255.04	255.72 (12/1)	206.83 (22/5)

COMBINED INDEX

Sept. 27	Sept. 26	1973 High	1973 Low
234.74	234.90	249.25 (12/1)	206.83 (22/5)

JOHANNESBURG

	Sept. 27	Sept. 26	High	Low
Industrials	246.8	246.2	292.1 (10/7)	246.8 (27/9)
Gold	203.2	202.9	237.7 (6/1)	123.4 (10/4)

(1938=100.) Source: Rand Daily Mail.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Sept. 20	Sept. 13	Sept. 6
On Dividends	5.28	5.22	4.90
On Earnings	8.82	8.87	8.16

SYDNEY ALL ORD. INDEX

Sept. 27	Sept. 26	High 1973	Low 1973
470.23	471.14	537.28 (19/1)	469.46

HONG KONG INDEX Φ

Sept. 27	Sept. 26	High 1973	Low 1973
532.23	526.21	1,774.96 (9/3)	494.50 (11/1)

SINGAPORE INDEX §

Sept. 27	Sept. 26	High 1973	Low 1973
519.46	519.48	611.56 (13/2)	289.71 (4/9)

TOKYO NEW SE INDEX†

Base=100 January 4, 1968.

Sept. 27	Sept. 26	Div. %	Yield %
350.09	345.01	11.90	2.11

1973 High 423.48 (24/1) Low 339.55 (21/9)

EUROPE

	Sept. 27	Previous	1973 High	1973 Low
Belg'm (**)	129.78	128.86	142.53 (22/8)	123.11 (2/1)
Denm'rk (d)	124.43	124.04	128.95 (10/8)	120.28 (6/7)
France (bb)	87.1	85.80	93.9 (4/5)	79.5 (4/1)
Germany‡	92.07	91.77	120.71 (25/6)	89.90 (27/7)
Holland (o)	144.0	143.1	171.9 (15/6)	140.5 (21/9)
Italy†	116.70	117.07	147.28 (18/6)	98.25 (16/2)
Sweden (p)	354.39	352.74	389.84 (10/7)	349.05 (21/9)
Switz'l'd **	356.7	363.7	460.1 (27/1)	338.6 (4/9)

* Herstatt Index Base Dec. 31, 1959. ‡ Base 100 Jan. 2, 1973. ** Swiss Bank Corporation Index base 100 Dec., 1968. (c) Closed. (m) Base 1963. (o) Base 100 1963. (p) Base Dec. 29, 1956. (bb) Paris Bourse Committee, base 100 1961. (d) Base 100 January 1, 1973. † Base 100 Jan. 4, 1968. Φ Hang Seng Bank, base 100 July 31, 1964. § Straits Times Industrial, base 100 1966.

Sterling steady

Sterling showed a steady tone in the foreign exchange market yesterday, against major currencies in general, with its trade-weighted average depreciation since the Washington Currency Agreement of December, 1971, ending at the previous 19.49 per cent. In terms of the U.S. dollar, the pound lost ground, however, falling to $2.4192-2.4197 in London inter-bank dealings, from $2.4232-$2.4237, for a loss of about 0.17 per cent. Conditions were generally quiet. The pound opened about $2.4220-2.4230, and finished close to its lowest of the day. The rate for short-term Euro-sterling remained well below the highest levels touched lately, with call finishing at about the previous day's level of 12 per cent., while fixed period rates were quite steady. The short-call Euro-mark deposit rates for period starting from the spot settlement day (now into October) were modestly positive. Short-call Euro-French francs ranged from about 8 per cent. to 15 per cent. or so, while the one-month rate ended around 11 per cent., and the three-month around 11¼ per cent. as did the six-month.

The dollar generally strengthened in terms of major currencies, rising in terms of Dutch guilders by 122½ points to Fl.2.5320, in terms of Swiss francs by 82½ points to Frs.3.0200, and Danish kroner by 225 points to Kr.5.7075, while it gained 45 points in terms of German marks to DM2.4157½. Norwegian kroner at one stage touched the bottom of the joint-float operated by certain EEC and associated countries (in relation to the mark), but lost only 25 points on balance against the dollar, at Kr.5.5275. French francs eased 150 points to Frs.4.2225 on commercial account, but gained 150 points to Frs.4.3150 on financial account. Belgian francs fell 15c on commercial account to Frs.36.92½, and 20c on financial to Frs.36.75.

Gold fell 75c an ounce on balance in London to $100.75-101.75, in moderate business. The metal opened at $101.75-102.75, but was fixed at $101.25 (£41.847) both in the morning and in the afternoon. New sovereigns ended at $29½-30½, and old at $36-37, while double Eagles were at $175½-177½, single at $86½-88½, and half at $56-58.

FOREIGN EXCHANGES

Sept. 27 1973	Bank Rate %	Market Rates: Day's Spread	Cl[ose]
New York	7½	2.4185-.4255	2.4190-
Montreal	6¾	2.4510-.4600	2.4520-
Amst'dam	6½	6.10-.14	6.12-
†Brussels	6½	89.00-.50	89.2
Copen'gen	8	13.78-.83	13.8
Frankf'rt	7	5.82-.86	5.84-
Lisbon	Δ5¾	55.80-56.90	56.2
Madrid	††8	157.00-158.00	157.2
ΦMilan	6½	1,366-1,368	1,364
Oslo	4½	13.35-.40	13.36
‡Paris	11	10.18-.22	10.20
Stockh'lm	5	10.14-.18	10.1
Tokyo	7	635-645	640
Vienna	5½	45.00-.50	45.2
Zurich	4½	7.28-.32	7.3

†† Basic discounts. Δ Bank of Po[rtugal] discount rate. † Rates given ar[e for] convertible franc: closing financial 89.80-89.10. ‡ Rates given are for [com]mercial franc: closing financial 10.42-10.45. Φ Rate given is comm[ercial]; closing financial rate 1,422-1,423.

OTHER MARKET RATES

Argentina	♦12.00-12.20	¶Note Rates	
Australia	1.6194-1.6344	Argentina	
Brazil	14.85-15.05	Austria	49
Finland	8.95-8.96½	Belgium	89
Greece	71.52-73.64	Brazil	
H'ngK'ng	12.34-12.46	Canada	2.4
Luxemb'g	89.20-89.40	France	
Malaysia	5.5695-5.8201	Germany	5.7
N.Zealand	1.6272-1.6422	Greece	
Singapore	5.6541-5.7062	Italy	1,4
S.Africa	1.6178-1.6517	Japan	
U.S.—		N'therl'nds	6.0
Canada		Spain	
C$1=U.S.		Sw'tz'l'nd	7.2
Cent.	99.42-99.45	U.S.	2.4

‡ Based on rates quoted by sp[ecial] dealers. Other rates may be quote[d] where. (sg) Selling price. ♦ Com[mercial] rate. Financial rate 24.06-24.08.

EXCHANGE CROSS-RATES

Sept. 27	Frankfurt	New York	Paris	Brussels	London	Amsterdam	Zurich
Frankfurt	—	2.413-416	57.10-30	6.52-53	5.836-845	95.35-35	79.80-95
N. York	41.46-48	—	23.70-23.74	2.707-717	2.418-419	39.50-53	33.07-10
Paris (c)	175.05-30	4.217-227	—	11.44-45	10.19-23½	168.80-45	140.05-35
Brussels	15.31½-32½	36.90-99	8.74-76½	—	89.38-42	14.61-62	12.24-25½
London	5.84-85	2.419-420	10.20½-21½	89.20-40	—	6.12-13	7.30-31
Amst'dm	104.78-83	2.527-529	59.835-885	6.84½-85½	6.109-114	—	83.66-71
Zurich	124.9-125.1	3.018-020	71.45-60	8.17½-19½	7.302-310	119.12-39	—

U.S. $ in Montreal 1.0044-1.0048. Canadian $ in New York 0.9948-51. U.S. $ in Milan 565.50 Sterling in Milan 1366.10 (c) Commercial. *Unavailable.

EURO-CURRENCY INTEREST RATES ◇

Sept. 27 1973	Sterling	U.S. Dollar	Canadian dollar	Dutch guilders	W. German mark	Swiss franc
†Short-term	11¾-12¼	10¼-10⅝	6-6¼	11½-11¾	1-2	1½-2
7 day's notice	—	10⅝-10⅞	6¼-6½	11½-11¾	1-2	1½-2
Month	14¼-14¾	10⅛-10⅝	8 7/16-8 9/16	10½-11¼	4¾-4⅝	4¼-4½
Three months	14¾-15¼	10¼-10⅝	8⅞-9⅛	9¾-10¼	6⅛-6½	5⅝-5⅞
Six-months	14¼-14¾	10¼-10¾	8 15/16-9 1/16	8¼-8¾	6⅞-7⅛	6⅜-6¾
One-year	15⅝	9⅝-10⅛	8⅞-9⅛	8⅞-8⅝	7⅛-7½	6½-6⅞

Long-term certificate rates as follows: two years 9 7/16-9 9/16 per cent.; three years 9½-9¾ per cent.; four years 9 5/16-9 7/16 per cent.; and five years 9¼-9½ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month 10½-10¾ per cent.; three months 10½-10¾ per cent.; six months 10½-10¾ per cent.; one year 9 15/16-9 15/16 per cent.

♦ Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollar and Canadian dollars are two days' notice for guilders, marks and Swiss francs.

FORWARD RATES

—	One Month	Three m[onths]
New York	0.80-0.70 c. pm	2.70-2.6
Montreal	1.15-1.00 c. pm	3.55-3.5
Amst'dam	2-1 c. pm	7½-6½
Brussels	140-100 c. pm	270-230
Copenh'n	Par-5 ore dis	2-7 ore d[is]
Frankfurt	5-4 pf pm	13-12 pf
Lisbon	75 c. pm-par	220-20
Milan	Par-8 lire dis	6-14 lire
Oslo	5-2 ore pm	13-10 or[e]
Paris	1 c. pm-4 dis	7-1 c. pm
Stockh'lm	7¼-5¼ ore pm	20-18
Vienna	30-10 gro. pm	130-50
Zurich	6¼-5¼ c. pm	17-16

Six-month forward dollar [...] c.pm., and 12-month 9.05-8.95 c.pm.

OVERSEAS SHARE INFORMATION

Investment $ premium based on $2.60 per £1—34% (34½%). Conversion factor 0.8011 (0.7990).

NEW YORK

Stock	Sept. 27	Sept. 26
Control Data	45	42⅜
Copper Range	18⅛	18⅞
Corning Glass	119½	120
Joy Manufactu'g	39¼	39⅛
Kaiser Alumin'm	23¼	23½
Kaiser Industries	7⅞	7¾
Raytheon	27⅝	27⅝
RCA	26⅛	26⅝
Reading	1⅜	1½
Republic Steel	25⅝	26
Revlon	74¾	73⅜
Zapata	26	25¼
Zenith Radio	38⅛	39⅛
World-wide Sec.	40⅛	40⅛
Chile 3% 1993	61¼	61¼
Peru 3% 1997	†92	†92

GERMANY ♦

Sept. 27	Prices Dm	+ or −	Div. %	Yld. %
A.E.G.	99.8	+1.6	10	5.0
Allianz Versich.	448		15	1.7
B.M.W.	244	+2	16	3.3
Badische Anilin	126.5	+2	15	5.9
Bayer	109.5	+1.3	14	6.5
Bayer Hypo	300	+2	20	3.3
Bayer Vereinsbk.	301.6	+3.5	20	3.3
Commerzbank	167.4	+0.9	17	5.1
Conti. Gummi	84	−0.2	—	—
Daimler	327.5	+6.5	18	2.7
Degussa	274	−2	••17	3.1
Demag	152	+3	♦16	5.1
Deutsche Bank	244.5	+3.5	18	3.7
Dresdner	183	+3	18	4.9

AMSTERDAM

Sept. 27	Price Fls.	+ or −	Div. %	Yld. %
Akzo (Fl.20)	69.5	+0.7	18	5.2
AlgBk Ned Fl.100	304	−2	18	5.9

AUSTRALIA

Sept. 27	Aus $	
Acrow Australia	0.92	−0.08

COPENHAGEN

Sept. 27	Price Kroner	+ or −
Burmeister & W.	135	+2

BRUSSELS

PARIS

MILAN

SWITZERLAND ♦

STOCKHOLM

TOKYO ¶

OSLO ♦

VIENNA

SPAIN ♥

JOHANNESBURG

CANADA

STOCK EXCHANGE REPORT

...ock markets steady in front of Govt./TUC talks

...ex 0.1 harder at 428.4—Short Gilts a shade lower

...T DEALING DATES
...ption

...clara-...ions	Last Dealings	Account Day
...pt. 27	Sept. 28	Oct. 9
...t. 11	Oct. 12	Oct. 23
...ct. 25	Oct. 26	Nov. 6

...e" dealings may take place ...hree business days earlier.

...stock markets were in ...d-see" mood yesterday ... the outcome of what ...ably be the final talks ...the Government and ...rs before the Green ...e Phase Three counter-... policy is published ...e end of next week. ...n a small amount of ...t profit-taking, in-...ded to sit tight. This ...titude reflected hopes ...Government's proposals ...t the minimum of in-...action and fears that ...ld to-day may prove ...repurchase in currently ...ets. In the event, the ...unt of genuine business ...spired was reflected in ...ovements in the F.T. ...dex; 0.2 up at the best ... at 10 a.m. and 0.5 off ...t at 11 a.m., the closing ... 0.1 up on balance at ...

...ine equities continued ...with a small selective ...ockets of activity still ...vated by bid situations. ...e prominent again on ... a move to lower base ...ites, the F.T.-Actuaries ...ex for the subsection ...8 per cent. at 202.63; ...d the All-Share index ...of 0.3 per cent. at 181.26 ...with a 0.1 per cent. im-... in the Industrial Group. The "500" was un-...t 181.43. Markings were ...red at 6,804 compared ... on Wednesday, but the ...ratio in F.T.-quoted in-... narrowed considerably ...to about 6:5.

...ubdued

...Funds were subdued by ...rticle which drew atten-... probable tight money ... over the next few days ...f pending tax payments. The lack of interest was more noticeable at the short end of the market where quotations eased 1/16 generally while awaiting to-day's debut of the new short "tap," Treasury 10½ per cent., 1976, which is expected to open at a modest premium. Medium and long-dated securities eased initially but picked up to close unaltered again.

A slightly easier tone in the investment currency market became apparent soon after the opening, but a fair business was transacted around the 34 per cent. level and the premium eventually closed at that rate to show a loss of ½ on balance. Yesterday's USE conversion factor was 0.8011 (0.7990).

Official London dealings commenced yesterday in Ovenstone Investments 12½ South African cents shares, which were quoted at 95p, Richardson-Merrell $1.25 shares, quoted at £33⅝, and Compagnie Francaise des Petroles "B," which opened at £24⅝ and closed at £25⅛. Wednesday's newcomer, James Austin Steel, lost 1½p at 65½p, while BG Securities showed a fresh fall of 5p at 120p.

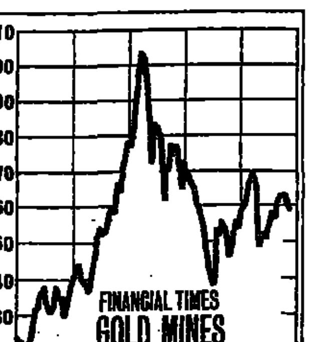
Banks firm

Further persistent small buying of leading Banks reflected hopes that base rates might soon come down; fresh improvements to 10p were seen as in Midland at 364p. Barclays and National Westminster both closed 7p higher at the common level of 354p and Lloyds ended 5p up at 284p. National and Commercial were similarly better at 160p. In quietly mixed Merchant Banks, Keyser Ullmann returned to favour and rose 5p to 280p while Slater Walker hardened 2p to 174p. London and County Securities, on the other hand, eased 2½p to 172½p. Hire Purchases attracted a smaller business, after which First National Finance ended 2p down at 77p and Provident Clothing 3p off at 169p.

Insurances improved throughout the list on fresh small buying and in the absence of selling. Eagle Star and "Royals" improved 6p to 166p and 328p respectively. General Accident put on 4p to 165p while Legal and General hardened 1p to 165p on further consideration of the interim results.

Breweries held steady in continuing quiet trading.

Buildings continued to claim a fair amount of attention. Following the previous day's late burst of speculative activity, buyers were again in the market for Bovis,



which pushed ahead to close at 268p for a two-day leap of 34p. In contrast, Tunnel Portland "B" reacted to 200p and closed 11p lower on balance at 208p on the announcement that negotiations are well advanced whereby the shares of Tunnel owned by F. L. Smidth will be transferred to a third party which will not result in a general offer being made to Tunnel shareholders. Better-than-expected interim results prompted a gain of 10p to 116p in Geo Wimpey and aided sentiment in other Contracting issues; Taylor Woodrow improved 4p to 294p and J. Laing "A" 3p to 157p. Elsewhere, demand in a thin market left Breedon Cloud 8p to the good at 120p, while buyers were still about for Newarthill, which improved 4p further to 184p.

Small losses were the order of the day in Chemicals. ICI cheapened a shade to 241p, while Fisons gave up 4p to 361p after the recent good rise on the half-yearly results. Elsewhere, Willows Francis improved 2p to 67p in response to the preliminary figures.

Leading Electricals failed to maintain Wednesday's firmness, easing modestly in idle trade. Philips' Lamp, however, improved 7p further to a peak for the year of 840p. Elsewhere, Petbow Holdings, 8p down at 82p, became a dull market ahead of to-day's interim results. Sangamo Weston ended 2p better at 117p on the half-time report.

Store leaders softened slightly in a small business, with House of Fraser losing 2p at 113p. Among secondary issues, Henry Wigfall moved into the limelight with an advance of 20p to 300p in a thin market; the annual results are due on October 11. New Day were also supported and finished 5p firmer at 19p, while Currys ended 2p up at 172p, after 174p. Forbuoys put on 2p to 177p on the increased profits and the proposed share sub-division. Spirella, on the other hand, closed 4p down at 64p after Wednesday's 5p rise. Western Pharmaceuticals, at 90p, also lost 4p. Among Shoes, a combination of end-Account selling and "new-time" demand left potential take-over favourites, Stylo 1½p off at 82½p and Stead and Simpson "A" 1p easier at 140p, the latter after extremes of 143p and 136p.

Preliminary and interim trading statements had no great impact on Engineerings. Delta Metal's first-half results were above expectations but the price stayed at 96p, while Amalgamated Metal, 208p, after 207½p, Francis Shaw, 33p, and Hunt and Moscrop, 29p, were all slightly firmer after trading news. On the back of the Delta Metal figures, McKechnie Bros. improved 3p to 80½p. Others to move higher included Matthew Hall, 4p better at 114p, and Averys, 3p dearer at 130p. Of the adverse movements, Simon lost 3p more to 114p and Hopkinsons 10p to 375p. Leading stocks were harder where changed, John Brown rising 3p further to 156p and Vickers 2p to 141p. Shipbuildings remained firm with the exception of Robb Caledon which lost 2p to 97p on the profits warning. Hawthorn Leslie gained 3p more to 116p.

In Foods, Bernard Matthews turned weak, touching a "low" for the year of 120p before closing 22p down at 130p on the drop in first-half profits. Kwik Save were also out of favour, losing 6p at 130p, while Colborn Group reacted 4p to 110p. In contrast, Tate and Lyle improved 4p to 176p and Associated Dairies 6p to 294p, while Cavenham hardened 2p to 147p. Cadbury Schweppes held steady at 64½p on the interim results. Among Hotels and Caterers, De Vere met further take-over speculation and moved ahead to 209p, before closing 13p up at 206p.

Euro. Ferries up

Apart from Glaxo, which firmed 6p to 364p, the miscellaneous Industrial leaders held around overnight closing levels. Renewed demand ahead of to-day's preliminary figures left European Ferries up 6½p more at 144p, while Shipping Industrial Holdings closed 2p dearer at 452p awaiting the interim results, also due to-day. Channel Tunnel remained on offer at 163p, down 5p, and end-Account profit-taking left Wilkins and Mitchell 5p easier at 152p. Hanimex responded to the results and proposed bonus issue by rising 10p to 160p, while trading statements also helped Wolstenholme Bronze, 3p better at 237p, and Winn Industries, 1p harder at 36p.

Increased bid speculation in Hackney and Hendon Greyhounds took the price up 12p to 125p; news that H. and H. are bidding for G. and W. Walker Group came well after the close.

Motors had little to offer in the way of movements. Garages provided firm spots in Kennings, 4p better at 78p, and Dorada, 3p up at 80p. After Wednesday's 6p loss, Tate of Leeds recouped 3p at 50p on the half-time statement. Wadham Stringer, however, continued to show disappointment with the interim figures and lost 3p more to 50p.

Newspapers had contrasting features in Thomson, down 5p at 211p on the second-half warning, and Beaverbrook "A," which rose 3p to 98p following resumed small demand. United were also dull at 348p, a loss of 7p, while William Collins issues, in Publishers, closed with falls of 5p and 7p respectively for the Ordinary, 188p, and "A," 183p. Paper/Printings went higher again, although the gains were usually modest. DRG improved 2p to 119p in response to the increased half-yearly profits, while Harrison and Sons, 125p, Dolan Packaging, 55p, and TPT, 46p, were also harder on trading announcements. Elsewhere, J. and J. Makin picked up 5p to 92p, but Kimpher shed 3p to 100p.

Properties continued in favour with fresh gains of around 4p marked against British Land, 178½p, and Town and City, 132½p, in the leaders. Elsewhere, St. Martins stood out with a rise of 8p to 197p, while Warnford moved up 12p more to 320p in a restricted market. Brixton improved 4½p to 98p and Keith and Henderson continued in favour at 91½p, up 2½p.

Fading demand and a trickle of selling contributed to slightly lower prices for Oils. Interest in Burmah ended abruptly but much of Wednesday's gain was held, the close being only 2p cheaper at 422p; the Warrants came back 3p to 132p, while Shell drifted down 4p to 273p and British Petroleum 2p to 510p. Ultramar opened 4p lower at 218p on business late the previous evening and stayed at that level throughout.

Shippings quieter

Although much quieter than of late, a firm undertone was maintained in Shippings where small demand in front of next Wednesday's interim results left Hunting Gibson 6p better at 293p.

Favourable Press comment sparked off fresh speculative interest in Grendon Trust which rose 6p more to a 1973 "high" of 300p; news of the 295p cash offer came well after market hours. Buyers also came for Sterling Guarantee, 7p higher at 303p, and Edinburgh Industrial, 3p harder at 38p.

Homfray stood out in Textiles, rising 8p to 85p in response to the good results while S. Lyles were similarly better at 81½p on buying ahead of the results due on October 9. Courtaulds hardened 2p to 137p.

Business continued to pick up in easier Tobaccos. "Bats" shaded 2p to 262p while the Deferred at 226p, lost 3p of the previous day's 8p gain. "Imps" shed 1p more to 85p.

Following agreed bid terms from South African Breweries to acquire controlling interests in Federated Stores and O.K. Bazaars, dealings were resumed yesterday in the shares of companies concerned. South African Breweries, suspended at 102p, opened at 88p and touched a "low" for the year of 84p before rallying to 90p. O.K. Bazaars "A" opened at 480p and eased to the pre-suspension price of 450p before ending at 460p, while Federated Stores, suspended at 225p, opened sharply better at 380p and held around that level all day.

Teas attracted a bigger buying interest and were firmer in places. Catel Trust were active and improved another 1p to 13¾p, while Moran added 2p to 73p and Warren 3p to 64p. In Rubbers, Anglo-Indonesian hardened 1½p to 33p but Guthrie shed 2p to 386p.

Irish Mines weak

With the exception of Silvermines and Northgate Exploration, dealings were resumed in London in the stocks which were suspended on Wednesday in the wake of the Irish Government's decision to withdraw mining tax concessions.

Tara Exploration moved narrowly and ended the day at 595p as against 690p prior to suspension while International Mogul were quoted at 570p as against 700p. In Toronto last night, Northgate were trading around 250p compared with the last London price of 282p. Sabina, which were not de-listed, held steady at 65p after Wednesday's 13p decline.

Dealings in other sections of the Mining market were subdued owing to the Jewish holiday with interest in Australian stocks further lessened by the closure of the Melbourne exchange overnight. Following the chairman's cautious remarks in the annual report, Western Mining fell 3p to 108p. Emperor Mines added 10p at 195p.

Gold shares eased afresh in line with the free market metal price although losses were no more than the 20p suffered by Durban Deep at 580p.

In Financials, Anglo American were steady at 342p in front of the increased half-year profits and dividend. Rand Selection gave up 10p at 750p reflecting the trend in Golds. Selection Trust rose another 15p to 385p on further consideration of its North Sea gas interests.

Platinums steadied, local interest adding 2p to Unions at 184p. A further reaction in the copper price took 20p from Palabora at 530p while Messina gave up 4p at 328p. Roan Consolidated were unaltered at 270p in front of the sharply increased final dividend payment.

Elsewhere "Tanks" put on 5p at 227p after 230p; the year's higher profits and dividend were announced well after market hours.

FINANCIAL TIMES STOCK INDICES

—	Sept. 27	Sept. 26	Sept. 25	Sept. 24	Sept. 21	Sept. 20	A Year ago
Government Sec.	64.21	64.22	64.14	63.83	63.71	63.74	72.56
Fixed Interest	64.53	64.42	64.32	64.07	64.05	64.02	73.83
Industrial Ordinary	428.4	428.3	425.2	422.3	422.2	419.2	481.6
Gold Mines	158.9	159.9	161.0	163.6	163.2	160.8	91.3
Ord. Div Yield %	4.42	4.43	4.46	4.49	4.50	4.50	3.51
Earnings Yld % (full) (a)	9.88	9.90	9.93	10.00	10.01	10.09	†5.40
P/E Ratio (net) (a) (b)	13.78	13.76	13.72	13.63	13.61	13.51	†18.55
Dealings marked	6,804	6,924	6,514	6,090	5,506	6,055	9,570

*10 a.m. 428.5 11 a.m. 427.8 Noon 427.8 1 p.m. 427.9
2 p.m. 427.9 3 p.m. 428.0
Latest index 01-246 8026.

(a) Based on 50 per cent. corporation tax. (b) Nil=13.53. † On old basis.

HIGH AND LOWS

—	1973 High	1973 Low	Since Compilation High	Since Compilation Low
Govt Sec.	72.08 (22/1)	63.16 (6/9)	127.4 (9/1/35)	63.16 (6/9/73)
Fixed Int.	73.85 (23/1)	63.67 (6/9)	150.4 (28/11/47)	63.67 (6/9/73)
Ind. Ord.	509.5 (10/1)	404.8 (5/9)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	203.6 (6/7)	93.6 (13/1)	203.6 (6/7/73)	43.5 (26/10/71)

S.E. ACTIVITY

—	Sept. 27	Sept. 26
Daily—		
Gilt Edged	123.0	147.9
Industrials	220.9	221.8
Speculative	98.7	111.2
Totals	154.9	157.6
5-day Av.—		
Gilt Edged	128.8	128.1
Industrials	208.4	204.6
Speculative	99.5	97.6
Totals	144.9	141.3

Basic 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

FT—ACTUARIES INDICES

	Sept. 27	Sept. 26	Sept. 25	Sept. 24	Sept. 21	Sept. 20	A Year ago
Industrial Group	173.20	172.97	171.53	171.16	170.65	170.24	188.75
500 Shares	181.43	181.40	180.01	179.63	179.13	178.85	197.83
Div. Yield pc.	4.18	4.18	4.22	4.22	4.24	4.23	3.54
P/E Ratio (net)	14.79	14.79	14.68	14.65	14.61	14.60	†16.24
All Share	181.26	180.75	179.06	178.47	177.95	177.73	197.09
Consols Yield pc.	11.40	11.40	11.39	11.52	11.58	11.57	9.46

†On old basis.

...HORISED UNIT TRUSTS (p★★★)

...bacus Arbuthnot Ltd. § Yield %
Fountain St, Manch. M2 2AP

...	38.0	41.0	+0.5	2.66
...um	38.4	41.4	+0.5	2.66
...nits	51.0	54.0	+0.5	2.48
...eum	31.3	34.3	+0.5	2.42
...its	37.0	40.0	+0.5	5.30
...c.Uts	37.5	40.5	+0.3	5.50
...l.Acc	26.3	25.3	+0.3	2.30

Discretionary Unit Fd. Managers § Yield %
Finsb'y Hse., 22 Blomf'ld St., EC2M 7AL. 01-638 4485.

Discr'tyIncSept14	107.8	112.3	......	4.39
Do. Acc.	119.2	124.7	......	4.39

Drayton Unit Trust Managers Ltd.
Individual Hs., 43/45 South St., Eastbourne BN21 4UP 0323 38711

(a) (g) Jessel Britannia Group § Yield %
155, Fenchurch St., EC3M 6BX. 01-623 7385

♥Jes.Aus.&GnFd.	19.2	20.2	......	3.56
♥Jes'l CapGrowth	47.9	51.2	+0.2	3.42
♥Jes'l City of Lon.	59.3	63.4	+0.4	3.08
♥Jes'l Exempt Fd.	100.5	104.6	−0.2	4.53
♥Jes'l Global Gth.	58.4	62.5	−0.4	2.46
♥Jes'l Gold & Gen.	116.4	124.0	+1.1	3.50
♥Jes'l Inc. Units	54.9	58.7	+0.1	4.84

(a) (g) National Group § Yield %
3-5, Norwich Street, E.C.4. 01-405 8891

♥Domestic	44.6	47.6	......	3.50
♥Gas Ind.& Power	63.3	65.9	−0.1	3.74
♥Natbits	68.2	71.4	+0.6	2.83
♥Nat High Income	69.1	71.9	−0.1	4.36
♥N.U.F.I.T.S.	45.3	47.8	+0.2	2.50
♥Natural Re'rces.	66.0	68.6	−0.2	5.12
♥Scot Units	60.5	63.1	......	3.17

Scotbits Securities Limited § Yield %
Erskine Hse., 69-73 Queen St. Edin EH2 4NX (London Office: Perth Rd., Ilford, Essex) Telephone Nos.: 031-226 7351 (Edinburgh) 01-554 7237 (Ilford)

♥Scotbits	50.2	53.0	+0.5	2.36
♥Scotyield	43.4	45.9	−0.1	4.89
♥Scotshares	47.9	50.6	−0.1	3.28
♥Scotfunds	252.7	261.2	+1.1	1.44

[INSURANCE, PROPERTY, BONDS PRICES PAGE 45]

OFFSHORE AND OVERSEAS FUNDS (p★★★)

Albany Management Co. Ltd. § Yield %
Utility Hs. PO Box 483, Hamilton, Bermuda

Albany Fd. Ltd.	$11.30	12.13	......	1.00

Amer. Express Inv. Mngmt. Co.

Fidelity Mngmt. & Res. (Bda.) Ltd. § Yield %
P.O. Box 670, Hamilton, Bermuda.

Fidelity Int. Fund	$21.66	......	—
Fidelity Pacific Fd	$24.01	......	—
Fidelity World Fd	10.72	+0.10	—
FidelitySter. Fds.	—	......	—

Negit Ltd. § Yield %
Bank of Bermuda Bldg., Hamilton, Bermuda.
NAV Sept. 14 1973. 605p

Old Court Fund Mgrs. Ltd.
P.O. Box 58, St. Julians Ct. Guernsey.

STOCK EXCHANGE DEALINGS from the Official List for Sept. 27

Thursday, September 27	6,804	Tuesday, September 25	6,514	Friday, September 21	5,506
Wednesday, September 26	6,924	Monday, September 24	6,090	Thursday, September 20	6,003

The list below gives the prices at which bargains done yesterday by members of The Stock Exchange were recorded in The Stock Exchange Daily Official List. Members are not obliged to mark bargains except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business was done.

Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any price is recorded.

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in new pence and fractions of new pence.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. Φ Bargains done previous day. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS, ETC. (571)

INTERNATIONAL BANK STOCK (1)

CORPN. & COUNTY—U.K. (84)

PUBLIC BOARDS, ETC.—U.K. (32)

COMMONWEALTH GOVT. AND PROVINCIAL SECURITIES (27)

FOREIGN STKS., BDS., ETC. (11)

U.K. AND COMMONWEALTH RAILWAYS (4)

FOREIGN RAILWAYS (10)

BANKS & DISCOUNT COS. (201)

BREWERIES & DISTILLS. (178)

CANALS & DOCKS (37)

COMMERCIAL, INDUSTRIAL (3,540)

A—B

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

ELEC. LIGHTING & POWER (5)

FINANCIAL TRUSTS, ETC. (305)

GAS (12)

INSURANCE (153)

INVESTMENT TRUSTS (492)

UNIT TRUSTS (8)

IRON, COAL & STEEL (50)

MINES

Australian (27)

Rhod. & E. African (22)

South African (122)

West African (12)

Diamond (22)

OIL (188)

PROPERTY (405)

Miscellaneous (137)

Amer. Metal Climax Warrants to sub. for Shares of Common Stk. 344Φ 40

FOOD PRICE MOVEMENTS

	Sept. 27 £ per ton	Week ago £ per ton	Month ago £ per ton
BACON§			
Danish A.1†	680	680	680
British A.1†¶	680**	660**	680
Irish Special	620	620	640
Polish A.1¶	640	640	640
Ulster A.1¶	620	620	650
BUTTER§	per cwt	per cwt	per cwt
NZ packet	22.00-22.25	22.10-22.30	22.00-22.25
English packet†	24.00-25.00	24.00-25.00	24.25-24.30
Danish salted packet†	25.67-26.90	25.21-25.50	24.77-25.94
CHEESE§			
English cheddar white rindless 40-lb sel.	25.00-26.00	25.00	24.00-25.00
NZ finest rindless 40-15 block	24.05	24.05	24.05
EGGS*			
Home-prod. Standard	3.40-3.55	3.20-3.45	2.80-2.95
Large	3.50-3.70	3.30-3.50	2.90-3.05
	Sept. 27	Week ago	Month ago
BEEF	per pound	per pound	per pound
	p p	p p	p p
Scotch killed sides	27.0—30.0	27.0—30.0	27.0—30.0
Eire forequarters	21.0—22.5	20.5—22.0	20.0—22.0
Argentine chilled rumps	58.0—62.0	60.0—62.0	62.0—64.0
LAMB			
English	28.0—34.0	28.0—33.0	26.0—30.0
NZ 2s-Ds	30.0—30.2	29.7—30.0	27.0—27.8
PORK (all weights)	17.5—25.0	17.5—24.0	17.0—22.5
MUTTON			
English ewes	12.0—14.0	11.5—14.0	19.5—13.0
POULTRY‡			
Broiler chickens weights (oven ready)	21.0—24.0	21.0—24.0	19.5—23.0

* London Egg Exchange prices per 120 eggs on September 25. † Delivered. ‡ Prices on September 26. § London and National Provision Exchange prices. ¶ For week commencing September 24. ** FMC price.

هكذا من الأصل

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Sept. 25	Oct. 8	Dec. 21	Jan. 8
Oct. 9	Oct. 22	Jan. 10	Jan. 22
Oct. 23	Nov. 5	Jan. 24	Feb 5

Dealers reported another lively trade in the Option market. Stocks favoured for the "call" included Lonrho, Grand Metropolitan warrants, Amalgamated Investment and Property, Universal Grinding, Reyrolle, Slater Walker, Bowater, Southern Pacific Properties, W. E. Norton, Stylo Shoes, House of Fraser, De Beers, Rio Tinto-Zinc, Woodside Burmah, J. Crowther, Pontin's, FMC, ICI, Aaronson and Equity Consort Deferred. No "puts" were reported, but a double option was arranged in House of Fraser.

Industrials		Glaxo	30	Slater Walker	12	Mines	
		Grand Met.	10	Spillers	6	Anglo Amer.	50
A.P.Cement	15	G.U.S."A"	23	Tesco	6	Broken Hill Prop	55
Assoc. Leisure	4	Guardian	29	Thorn 'A'	24	Cast	10
Barclays Bank	20	G.K.N.	13	Tube Invest.	30	Charter Cons.	16
Beecham	20	Hawker Sidd.	30	Unilever	23	Charterhall Fin	3
Boots Drug	17	I.C.I.	11	Utd Drapery	10	Cons. Gold	20
Bowaters	12	"Imps"	5½	Vickers	9	De Beers Def.	20
B.A.T.	16	I.C.L.	11	Woolworths	7	F. S. Geduld	150
British Leyland	2½	Inveresk Paper	4			Great Boulder	10
British Oxygen	6	Jessel Sec.	9	Property		Hampton Areas	18
Burton 'A'	20	Legal & General	20	Cap Counties	11	Hampton Props	15
Cadbury's	6	Lloyds Bank	20	Land Securities	15	Kloof	75
Cannon St.	7	"Lots"	10	Peachy	12	Lonrho	7
Courtaulds	6	"Mams"	13	Star Gt. Britain	13	Loraine	22
Debenham	10	Marks & Spencer	12	Town & City	15	Metals Explor.	10
Distillers	10	Marsh (L)	9	Town & Comm.	13	Poseidon	75
Dunlop	8	Midland Bank	20			Pres Steyn	100
Eldridge Stiefel	5	Natl. West Bank	20	Oils		Rio T. Zinc	15
E.M.I.	13	P & O Dfd.	25	Brit. Petroleum	21	Welkom	35
First National	7	Plessey	9	Burmah Oil	21	West Areas	25
G.R.A. Trust	8	R.H.M.	6	Oilsearch	3	Western M'ng	17
Gen. Accident	15	Rank Org."A"	35	Shell	18	Zambia Copper	7
Gen. Electric	9	Reed Intl.	25	Ultramar	18		

REGIONAL MARKETS

Prices in pence and denominations of 25p unless otherwise stated

BELFAST

B'fast 6½ '80	£67½	—½
Finlay Pkg(5p)	25	—1
Hughes (B) (£1)	120	—10
NIrish Se't Inv	40	......

IRISH EXCHANGE

Axeq.6⅝ '80/85	£67.22	......
Alliance Gas £1	91	......
Carroll (P.J.)	150	......
Conc. Prod. Ire.	155	......
Clondalkin	68	......
Goodbody (£1)	105	......
Heiton (Hldgs)	70	......
Irish Distillers	93	—1
Irish Wire Bd	96	......
Jacob	70	......
Smith Grp 10p	44	+5
Sunbeam	53	......
Unidare	76	......

MIDLANDS & WESTERN

Bham Post A	67½	......
Booma 10p	51½	—1
Evans F.W. 10p	34½	......

Evered	42½	—5
Fr'st & Reed 50p	245	......
Gardiner £1	67½	......
Graig Sh'p (£1)	760	......
Hal'mSl'gh 10p	18½	—1
Kleen-e-ze	56	—1
Lovell's Ship £1	200	......
Pearce C. H.	125	......
Sindall (Wm)	112	......
Vincent (H)	125½	—5

NORTHERN EXCHANGE

Albany Inv 20p	24½	......
Ash Spinning	55	......
Booth Chas 10p	18	......
Brady (G) 'A'	78	......
Br'g'wrEst 50p	345	......
Brt. Pth'p (50p)	90	......
Bury Ring 20p	23	......
Clover Croft	54	......
Dyson R.A. 'A'	65	......
Elian road	61	......
Eng Natl Inv Py	303¼	......
Do. Deferred	44	......
Era Ring	42	......

Gardiner (L.)	142	—1
Hartl'y Ind 20p	41½	......
Higsons Brew.	128	......
Holt Joseph 25p	125	......
I.O.M. Stm £1	134½	......
Ketton Com £1	935	......
Man Canal £1	285	......
Nichols Vim.	116	......
Nrac Gld'mth.	129½	......
P.M.A.	154	......
Peel Mill	28	......
Sayers Con 12½	45	......
Shiloh Spinn.	34½	......
Swan Lan 33⅓p	36½	......
Tavn'r Rut 20p	75	......
Wood (Ed)	20½	......
Wo'dwrd H 25p	43	......

SCOTTISH EXCHANGE

Craig & Rose £1	425	......
Hill (R. Ryle)	82½	......
Lees (JJ) (10p)	34½	......
Richards (10p)	23	—½

NEY MARKET

equate credit supply

England Minimum ng Rate 11½% July 27, 1973)

credit was in free supply in the ney market yesterday it houses to balance without official inter- it some uncertainty laid dealings, with disbursements outweighing revenue the event by an reciably less than that expected. A fall in rculation was among ie market's favour, as s carried over by the the previous day, but settlements were a major adverse factor (with applications being received for the issue of £600m. of 10¾ per cent. Treasury Stock, 1976, at £98.75), while the market had a net Treasury bill take-up to finance (with bills issued yesterday of the standard 91-day maturity), and the authorities held maturing bank and local authority bills.

The underlying factors, as ultimately identified, suggested no need for the authorities to intervene, but Discount houses in some cases appeared to make use of standby-facilities at the banks. A rate of 10 per cent. was commonly bid for by Discount houses secured call loans in the earlier part, and later balances were found at 9 per cent. to 10 per cent., but levels up to 10¾ per cent. and 11 per cent. were touched during the day. In the inter-bank market, overnight loans were around 11¼-11¾ per cent. in places in the early part, and fell to 10-10½ per cent. at one stage, only to rise in the late stages to 11-11½ per cent. or so.

Short-term fixed period rates in the various markets again showed no closely defined new trend, though the three-month sterling certificate yield, to take an example, rose to 13⅜-13¼ per cent., from the previous 13⅛-13⅛ per cent.

Rates in the table below are largely nominal.

Sterling Certificates of deposits	Inter-bank	Local Authority deposits*	Local Auth. negotiable bonds	Finance house deposit	Company deposits	Discount market deposits	Treasury bills ϕ	Bank bills ϕ	Fine trade bills ϕ
—	10-11⅛	—	—	—	—	9¾-10¾	—	—	—
—	—	12-12⅜	—	—	—	—	—	—	—
—	11⅞-12	12⅛-12⅜	—	—	—	10½-11	—	—	—
13-12⅝	12⅛-13	12⅜-12⅝	12¾-12	13¼	—	11-11⅛	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	—	[illegible]	—	—	11-11⅛	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	11-11⅛	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	[illegible]	[illegible]
[illegible]	[illegible]	—	[illegible]	—	—	—	—	—	—
[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—	—

[illegible]

BANK BASE RATES

Allied Irish Banks Ltd.	11 %
Anglo-Eastern Bank ...	11½%
Anglo-Portuguese Bank	11 %
Audley Holdings Ltd.	11 %
Banco de Bilbao	11 %
Bank of Cyprus	‡11½%
■ Wm. Brandt's	11 %
Brit. Bk. of Commerce	12 %
Brit. Bank of Mid. East.	11 %
■ Brown Shipley	11½%
Cedar Holdings	11 %
■ Charterhouse Japhet ...	11 %
Choulartons	11 %
C. E. Coates	11½%
Consolidated Credits ...	11 %
Co-operative Bank	*11 %
Corinthian Securities ..	11 %
Credit Lyonnais	11 %
G. R. Dawes	11 %
Dawnay Day	11½%
Duboff Brothers	11 %
Dunbar & Co. Ltd. ...	11½%
Duncan Lawrie	11 %
English Transcont. ...	11 %
First Maryland	12 %
FNFC	11½%
■ Antony Gibbs	11 %
Gresham Trust	11½%
Greyhound Guaranty ..	11 %
■ Guinness Mahon	11 %
■ Hambros Bank	11 %
Hawtin & Partners ...	11 %
■ Hill Samuel	§11 %
C. Hoare & Co.	†11 %
Julian S. Hodge	11½%
Italian International ...	11½%
Jacobs, Kroll	11½%
Keyser Ullmann	11 %
Kinghurst Securities ...	11½%
London & County Sec	11½%
London Mercantile ...	11½%
■ Samuel Montagu	11 %
Moorgate Mercantile ...	11 %
■ Morgan Grenfell	11 %
Morris Wigram Ltd. ...	11½%
Northern Comm. Tst.	12 %
Portman Guaranty ...	12 %
■ Rea Brothers	11½%
P. S. Refson & Co. ...	11 %
■ N. M. Rothschild	11 %
St. Mary Axe Finance	11½%
E. S. Schwab	11 %
Security Tst. Co. Bhm.	11½%
Standard Guarantee ...	11½%
Sterling Credit	11½%
Sterling Industrial Sec.	11½%
Swiss-Israel Trade Bk.	11 %
Twentieth Century Bk.	11 %
Wallace Bros. Sassoon	11½%
Whiteaway Laidlaw ...	11 %
G. T. Whyte	11 %
Wintrust	12 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 9½%; 1-month 9¾% £10,000 and over, 9½% below.
† 7-day deposits—£10,000 and under 9½%; up to £25,000 9¾%; over £25,000 10%.
§ Demand Deposits 10% £10,000 and over. 9½% under £10,000.
‡ Linked to M.L.R.

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and The Faculty of Actuaries

	EQUITY GROUPS / GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section.)	Thursday, Sept. 27, 1973: Index No.	Day's Change %	Est. Earnings yield % (full)	Gross Div. yield %	Est. P/E Ratio (net)	Est. P/E Ratio (nil)	Wed. Sept. 26 Index No.	Tues. Sept. 25 Index No.	Monday Sept. 24 Index No.	Friday Sept. 21 Index No.	Year ago (approx.) Index No.	1973 High	1973 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (185)	161.91	+0.2	10.66	4.54	12.98	12.96	161.57	160.24	159.68	159.15	164.61	186.03 (17/1)	153.79 (6/9)	206.37 (4/5/72)	82.82 (25/6/66)
2	Building Materials (29)	163.87	—0.1	12.25	4.59	11.18	11.18	164.06	162.23	161.93	162.57	176.09	196.69 (2/1)	157.90 (12/9)	233.84 (2/5/72)	85.01 (25/6/62)
3	Contracting, Construction (22)	287.71	+3.3	11.01	2.87	12.81	12.77	278.50	276.63	275.19	273.88	316.15	348.47 (17/1)	263.95 (6/3)	389.53 (13/5/72)	84.39 (27/6/66)
4	Electricals (17)	284.71	—0.5	10.24	3.61	13.35	13.35	286.28	283.79	282.75	279.42	264.31	307.90 (9/1)	258.46 (4/9)	350.04 (4/5/72)	84.71 (25/6/62)
5	Engineering (Heavy) (15)	176.93	+0.1	11.56	4.39	11.42	11.42	176.83	177.34	176.52	176.44	151.45	202.57 (8/6)	163.41 (5/3)	202.57 (8/6/73)	151.45 (28/9/72)
6	Engineering (General) (65)	134.05	—0.1	10.42	5.28	13.39	13.40	134.15	133.17	132.76	132.04	139.60	158.64 (2/1)	128.16 (11/9)	168.59 (4/5/72)	128.16 (11/9/73)
7	Machine and Other Tools (13)	58.22	+0.4	4.88	6.73	35.82	32.91	58.00	57.88	57.68	57.51	56.86	67.88 (2/6)	56.13 (6/9)	136.70 (4/7/66)	43.86 (5/5/71)
8	Miscellaneous (24)	147.83	+0.5	9.33	4.20	15.01	14.98	147.10	145.32	144.66	144.64	148.48	173.76 (11/1)	141.59 (12/9)	177.41 (27/4/72)	69.01 (6/11/65)
9	CONSUMER GOODS (DURABLE) (59)	170.75	+0.2	11.28	3.62	12.50	12.26	170.48	168.65	168.18	168.14	186.35	210.86 (11/1)	163.78 (6/9)	227.78 (21/4/72)	79.16 (25/6/63)
10	Lt. Electronics, Radio TV (14)	206.58	+0.2	8.81	2.19	15.82	15.74	206.24	203.49	202.23	201.86	217.03	251.93 (11/1)	187.21 (11/6)	257.41 (19/5/72)	71.10 (16/1/58)
11	Household Goods (16)	205.72	+0.1	13.91	4.06	9.93	9.87	205.52	204.86	204.38	204.29	220.46	237.99 (2/1)	198.60 (6/9)	263.22 (4/5/72)	86.65 (26/6/62)
12	Motors and Distributors (29)	94.75	+0.2	13.97	5.59	9.91	9.91	94.50	93.67	93.87	94.08	110.27	122.75 (17/1)	93.52 (6/9)	170.59 (15/1/69)	75.92 (24/10/62)
13	CONSUMER GOODS (NON-DURABLE) (170)	171.63	+0.1	9.93	4.25	13.88	13.76	171.41	170.37	170.14	169.95	194.57	212.13 (2/1)	163.43 (6/9)	226.08 (16/8/72)	83.71 (8/11/66)
14	Breweries (16) ...	197.16	—0.4	10.07	4.43	14.19	14.19	197.99	196.02	196.64	197.25	243.89	265.23 (2/1)	187.61 (27/7)	281.87 (28/11/72)	80.50 (30/8/66)
15	Wines and Spirits (8)	197.28	—	9.30	4.28	15.19	15.19	197.28	195.18	194.12	194.03	208.38	216.12 (17/1)	174.44 (11/7)	257.40 (13/7/72)	118.78 (15/6/70)
16	Entertainment, Catering (16)	226.50	+0.3	10.06	4.50	13.59	13.56	225.74	222.18	220.80	219.27	270.93	323.23 (19/7)	204.05 (6/9)	329.99 (12/12/72)	50.11 (23/7/62)
17	Food Manufacturing (24)	161.83	+0.1	11.08	4.37	12.38	12.38	161.51	161.30	150.59	150.21	173.83	187.87 (2/1)	146.91 (5/9)	211.65 (1/5/72)	95.98 (15/6/70)
18	Food Retailing (18) ...	157.28	—	8.35	3.07	16.95	16.95	157.26	157.07	157.40	157.91	193.50	217.48 (2/1)	151.08 (27/7)	235.08 (16/8/72)	94.62 (25/5/70)
19	Newspapers, Publishing (16)	220.09	—0.1	11.59	3.99	12.24	12.24	220.26	220.11	220.84	219.68	228.78	260.29 (18/1)	216.08 (12/9)	260.29 (18/1/73)	81.74 (6/5/62)
20	Packaging and Paper (15)	101.67	+0.4	11.15	5.35	12.51	12.28	101.29	100.95	101.05	100.93	113.33	126.47 (2/1)	95.33 (12/9)	135.69 (28/4/72)	87.91 (25/6/62)
21	Stores (28)	159.31	+0.3	8.29	3.47	17.25	17.22	158.79	157.83	157.69	157.14	173.84	186.50 (2/1)	148.34 (9/3)	204.39 (16/6/72)	72.74 (8/11/66)
22	Textiles (20)	171.73	+1.1	13.26	5.38	8.88	8.29	169.94	168.10	168.13	167.34	198.42	213.80 (2/1)	161.55 (6/9)	253.72 (17/9/66)	89.90 (20/7/62)
23	Tobacco (3)	239.50	—0.8	11.79	6.57	11.80	11.75	241.40	241.51	241.83	243.92	261.78	289.66 (2/1)	236.48 (6/9)	339.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6) ...	69.52	+1.8	11.94	3.17	12.42	12.42	68.28	67.86	67.30	66.88	64.04	80.79 (15/1)	61.76 (24/8)	135.72 (16/1/70)	44.90 (9/9/71)
	OTHER GROUPS															
25	Chemicals (22) ...	160.99	—	8.26	4.50	16.75	16.72	161.02	159.48	159.02	159.05	175.86	191.47 (17/1)	155.24 (4/9)	201.92 (31/1/68)	93.29 (26/6/62)
26	Office Equipment (10)	190.57	—	5.36	2.23	24.59	24.59	190.48	185.49	184.96	180.84	206.53	227.52 (9/1)	163.93 (21/5)	246.06 (1/9/72)	109.12 (26/5/70)
27	Shipping (10) ...	488.39	+0.5	7.78	3.59	15.27	15.73	485.97	481.94	478.23	473.15	462.88	515.97 (19/1)	420.07 (6/9)	517.00 (6/12/72)	90.80 (19/6/62)
28	Miscellaneous (41)	198.29	—	9.54	3.88	14.74	14.72	198.23	196.54	196.63	195.19	219.68	252.39 (17/1)	188.32 (5/9)	258.83 (2/6/72)	76.52 (6/11/66)
29	INDUSTRIAL GROUP (497)	173.20	+0.1	9.79	4.12	14.07	13.97	172.97	171.53	171.16	170.65	188.75	207.00 (2/1)	164.67 (6/9)	220.17 (1/5/72)	120.61 (2/3/71)
30	Oil (3)	267.38	—0.8	5.64	4.61	23.53	17.76	269.66	268.80	268.39	267.96	293.18	328.39 (15/1)	264.25 (4/9)	431.66 (29/5/69)	87.23 (29/5/62)
31	500 SHARE INDEX	181.43	—	9.29	4.18	14.79	14.34	181.40	180.01	179.63	179.13	197.83	217.40 (10/1)	173.51 (6/9)	227.96 (16/3/72)	84.86 (26/6/63)
32	FINANCIAL GROUP (101)	186.24	+1.1	—	3.28	—	—	184.16	181.39	180.36	179.78	199.38	230.42 (9/1)	173.05 (6/9)	241.41 (21/4/72)	69.83 (30/8/66)
33	Banks (6)	202.63	+1.8	13.24	3.11	10.68	10.68	199.10	193.90	190.50	191.03	227.95	269.62 (9/1)	189.81 (6/9)	281.52 (20/1/71)	59.25 (16/6/64)
34	Discount Houses (8) ...	175.67	+0.3	—	5.68	—	—	175.21	172.69	168.04	168.18	227.65	258.57 (25/6)	167.32 (7/9)	293.13 (2/5/72)	87.65 (18/6/69)
35	Hire Purchase (5)	312.99	—0.2	10.94	4.03	12.98	12.98	313.54	306.06	305.03	306.15	352.82	374.92 (9/1)	288.83 (7/9)	433.72 (4/5/72)	80.02 (5/8/65)
36	Insurance (Life) (9) ...	146.25	+0.7	—	3.69	—	—	145.21	141.92	140.11	139.24	167.63	186.26 (8/1)	128.52 (6/9)	194.46 (15/3/72)	61.35 (30/8/66)
37	Insurance (Composite) (8)	115.30	+1.4	—	4.43	—	—	113.67	112.27	111.72	110.61	129.31	141.37 (9/1)	102.16 (6/9)	155.76 (21/4/72)	54.40 (16/3/66)
38	Insurance (Brokers) (8)	206.06	+0.7	‡7.72	3.67	18.31	18.31	204.70	205.89	205.82	205.94	212.91	245.06 (2/1)	190.98 (28/8)	263.57 (12/12/72)	58.59 (24/7/69)
39	Merchant Banks (18) ...	192.47	—0.1	—	2.67	—	—	192.67	191.88	192.99	192.56	201.49	253.12 (9/1)	184.86 (6/9)	278.57 (1/5/72)	50.47 (15/7/65)
40	Property (29)	290.83	+1.4	3.55	2.12	37.98	37.29	286.92	284.14	285.26	283.61	262.97	310.44 (2/1)	222.63 (2/3)	324.22 (26/4/72)	56.01 (20/4/65)
41	Miscellaneous (10)	188.95	+0.3	10.22	4.62	13.88	13.88	188.31	187.88	187.82	186.98	222.11	281.14 (17/1)	174.94 (5/9)	303.13 (18/5/72)	120.06 (31/12/70)
42	Investment Trust Group (50)	182.11	+0.5	3.16	3.16	31.89	31.76	181.17	179.58	177.73	177.16	202.72	226.13 (18/1)	171.91 (12/9)	245.79 (25/4/72)	60.64 (25/6/62)
43	ALL-SHARE INDEX (651)	181.26	+0.3	—	3.93	—	—	180.75	179.06	178.47	177.95	197.09	219.02 (10/1)	172.59 (6/9)	228.18 (1/5/72)	63.72 (25/6/62)
	COMMODITY GROUPS (*Not included in 500 or All-Share indices*)															
44	Rubbers (10)	441.46	—1.0	4.93	4.50	27.01	21.62	446.04	404.48	441.85	436.50	290.95	555.37 (23/7)	415.62 (22/1)	555.37 (23/7/73)	84.68 (25/8/65)
45	Teas (10)	102.71	—	3.18	8.56	48.63	36.67	102.71	102.71	103.61	103.61	97.82	120.92 (16/1)	102.71 (25/9)	121.47 (1/5/72)	69.96 (14/11/66)
46	Coppers (4)	362.92	+0.4	27.29	11.09	3.66	3.66	361.60	373.27	380.87	379.17	401.33	567.78 (13/1)	350.66 (5/3)	567.78 (13/7/73)	94.08 (29/4/62)
47	Mining Finance (11) ...	102.07	—0.3	6.63	3.01	19.11	18.94	102.38	101.50	101.41	103.31	116.97	127.69 (26/7)	99.59 (12/9)	175.90 (22/4/69)	70.95 (2/11/71)
48	Tins (8) ...	91.69	+0.5	7.76	6.99	17.33	13.62	91.24	91.15	91.15	91.15	95.19	125.34 (12/1)	85.67 (12/9)	125.34 (12/1/73)	54.83 (27/5/71)

	FIXED INTEREST	Thurs. Sept. 27 Index No.	Thurs. Sept. 27 Yield %	Wed. Sept. 26	Tuesday Sept. 25	Monday Sept. 24	Friday Sept. 21	Thurs. Sept. 20	Wed. Sept. 19	Tuesday Sept. 18	Year ago (approx.)	1973 High	1973 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	11.40	11.40	11.39	11.62	11.58	11.57	11.57	11.57	9.46	—	—	—	—
2	20-yr. Govt. Stocks (6)	61.99	‡10.62	62.01	62.03	61.56	61.47	61.49	61.51	61.53	75.33	74.22 (23/1)	61.00 (13/9)	115.42 (11/9/63)	61.00 (13/9/73)
3	20-yr. Red. Deb. & Loans (15)	60.53	‡12.27	60.53	60.53	60.45	60.45	60.43	60.47	60.47	71.51	72.05 (22/2)	60.34 (17/9)	113.45 (23/10/65)	60.34 (17/9/73)
4	Investment Trusts Prefs. (15)	54.01	12.28	54.01	53.74	53.74	53.74	53.74	53.23	53.23	72.51	69.76 (15/1)	52.81 (11/9)	114.41 (13/9/63)	52.81 (11/9/73)
5	Coml. and Indl. Prefs. (20)	68.49	11.37	68.38	68.01	67.49	67.49	67.49	67.46	67.40	78.17	77.33 (5/1)	66.90 (17/3)	114.41 (7/10/63)	66.90 (17/9/73)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Engineering (Heavy)	31/12/71	153.84	Toys and Games	16/1/70	135.72
Engineering (General)	31/12/71	153.84	Office Equipment	16/1/70	162.74
Food Manufacturing	29/12/67	114.13	Industrial Group	31/12/70	128.06
Food Retailing	29/12/67	114.13	Miscellaneous Financial	31/12/70	128.06
Insurance Brokers	29/12/67	96.67	All Other	10/4/62	100.00
Mining Finance	29/12/67	100.00			
Wines and Spirits	16/1/70	144.76			

‡ Redemption yield. F.T.-Actuaries Indices are calculated by Extel-Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A list of the constituents of the F.T.-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By inland post 16p, Commonwealth 18p. Foreign 22p.

Marine insurers 'blindly chasing premium income'

BY OUR OWN CORRESPONDENT

VENICE, Sept. 27.

TOO MANY marine insurers are chasing premium income blindly without considering the consequences. This was alleged to-day at the International Union of Marine Insurance conference by Mr. Henry Chester, a leading Lloyd's underwriter.

He told the 450 insurers from 36 countries, that marine insurance capacity had grown phenomenally in the past two years, but he questioned the principles on which it was based. He also wondered to what extent this new capacity — apparently determined to undercut prevailing market rates — held the fallacious belief that future claims would be better.

Mr. Chester declared: "This is true neither of the generality of hull insurance nor in the long run of the results of any particular fleet," he said. Reliance on reinsurance was another sore point. Every time a risk was reinsured there was an extra brokerage in it for somebody.

"All extra discounts will in the end be paid by the shipowner and I wonder to what extent we as underwriters take steps to make this known to international shipowners."

Inflation, coupled with currency fluctuations, has been a recurring theme of this week's conference, and Mr. Chester found that this important factor was largely ignored by underwriters.

The majority of international hull accounts are written in sterling or dollars, and most underwirters still regarded the relationship that these two currencies bore to other major currencies five years ago. Since then the effective value of the pound in the world's market had been reduced by 33⅓ per cent.

Mr. Chester stated: "As the relationship of the pound to the dollar has not varied more than about 10 per cent. in the same period, the same reduction in value must be true of that currency (the dollar) in which many of us receive the great bulk of our premium. Unless steps are taken to deal with this problem promptly, one can only be very pessimistic about the outcome in the near future."

Container ship service to Far East

BY JAMES McDONALD, SHIPPING CORRESPONDENT

THE FIRST of four cellular container ships, the Italian 24,000-ton Nipponica will start sailings on the Mediterranean Far Eastern Container Service (MFECS) on October 10, Italian General Shipping Company (U.K.), announced last night.

During 1974 three more similar container ships are to be introduced by MFECS, which is made up of: the Italian lines—Lloyd Triestino and Flotta Lavro; the French Compagnie Maritime des Chargeurs Reunis; and two Japanese companies—Nippon Yusen Kaisha and Mitsui OSK.

The Italian ships operated by MFECS form part of the Far Eastern Freight Conference, in which British containerships have a large representation.

By the end of next year the four MFECS vessels together will provide regular services giving a sailing frequency of 15 days, operating out of Barcelona, Genoa and Fos (Marseille) to five Far Eastern ports, including Tokyo, Hong Kong and Singapore.

The trade between Italy and the Far Eastern countries last year totalled over U.S.$860m., and the Italian section of MFECS obviously hopes to increase this total.

This will be the first time a regular container ship service has operated between the full Mediterranean area and the Far East, and MFECS hopes to attract the attentin of shipbrokers in London.

The Nipponica, a turbo-propeller ship, has a service speed of 23 knots and can carry 1,094 20-foot containers and 120 40-foot containers, including some refrigerated containers.

SERVIS PLANS EXPANSION

SERVIS DOMESTIC Appliances of Wednesbury, Staffs, a Wilkins and Mitchell subsidiary, yesterday claimed an 18 per cent. share of the U.K. market for its range of washing machines and dryers, an increase of 3 per cent. this year.

An expansion programme is under way against a background of the fullest order book for years. This will enable Servis to increase output to 7,000 units a week, of which more than half will be a new fully automatic washing machine.

WATERWORKS (11)

[illegible]

SPECIAL LIST

SEPTEMBER 27 (Nil)

RULE 163 (1) (e)

Bargains marked under Rule 163 (1) (e) in securities for which quotation has not been granted and which are not recorded in the official List.

SEPTEMBER 27

[illegible]

Utah Mining 280@
Valley Int. Bank of Arizona £11¾
Western Bancorp. £15⁹⁄₁₆
Westfield Minerals 551₂@
Wheelock Marden A 770 80 8 ½: 9 8 70
Wheelock Maritime B 8½@ ¼
Whim Creek 44
Woodside Burmah 111
Woolworth (F. W.) Can. £11¹³⁄₁₆@ ⅞
(By permission of the Stock Exchange Council)

NEW "HIGHS" AND "LOWS" FOR 1973

The following securities quoted in the Share Information Service yesterday attained new "highs" and "lows" for 1973.

NEW "HIGHS" (30)

[illegible]

ELECTRICALS (1)
Westforth Electrical

ENGINEERING (6)
Amari — Hopkinsons
Camford — Tex Abrasives
Hill and Smith — Tyzack (W. A.)

FOODS (4)
Avana — Manbre and Garton
Kwik Save — Matthews

INDUSTRIALS (5)
Avon Rubber — Johnson Cleaners
Business Computers — Vinten (W.)

[illegible]

NEW "LOWS" (31)

[illegible]

RISES AND FALLS YESTERDAY

	Up	Down	Same
[illegible]	1	3	40
[illegible] Com. and [illegible]	5	2	23
[illegible]	139	271	1,192
[illegible] Prop. ...	238	65	577
[illegible]	4	9	30
[illegible]	7	11	32
[illegible]	15	40	106
[illegible]	4	10	13
[illegible]	413	415	1,865

CORAL INDEX
Close 425-430

ACTIVE STOCKS

Prices in pence except where otherwise indicated.

Stock	Denomination	No. of marks	Closing price	Change on day	1973 high	1973 low
[illegible] Hotels ...	25p	34	206	+13	211	164
[illegible] mnt. 'B'	30p	21	203	—11	240	175
[illegible]	£1	12	241	— 1	294	235
[illegible]	25p	11	268	+15	362	220
[illegible]	25p	11	218	— 3	270	200
[illegible] Prop. ...	5p	10	104½	— 3½	112½	68
[illegible]	50p	10	111½	— ½	194½	99
[illegible] Bank ...	£1	10	364	+10	503	332
[illegible]	25p	9	105	+ 1	133	92
[illegible]	25p	9	149	— 1	154	127
[illegible] Bank ..	£1	8	354	+ 7	468	332
[illegible] (C. T.)	25p	8	86	— 4	154	86
[illegible] rries ...	25p	8	144	+ 6½	195	133
[illegible] N/V ...	25p	8	455	—	556	368
[illegible] Hldgs.	25p	8	452	+ 2	463	243

[illegible] above list of active stocks is based on the number of bargains [illegible] yesterday in the Official list and under Rule 163(1) (e) and [illegible] to-day in Stock Exchange dealings.

SHARE INFORMATION SERVICE: NOTES

[illegible]

INSURANCE, PROPERTY, BONDS

				§ Yield
Abbey Life Assurance Co. Ltd. 1-3, St. Paul's Churchyard, E.C.4 248 9111				
Abbey Eq. Sept.27	30.8	32.5	+0.6	—
do.Acc Unit Sep27	23.5	24.8	+0.5	—
do.Abbey Propt	152.5	160.4	......	—
do.Acc UnitSept	134.6	141.7	......	—
do.Pen UnitSept	138.0	145.5	......	—
Selective Ind Sp27	68.5	72.2	+0.5	—

Ebor Phoenix Assurance 4 Gt. St. Helen's, London, EC3. 01-588 1717
Assured Bd Sept3: 50.9 — End'wments Sp21: 52.2 —

Fidelity Life Assurance Ltd. Fidelity House, Corporation Street, High Wycombe. Tel. HW 33821.
♥AmericanGthFd 39.4 41.5 — ♥Flexible Fund 20.5 21.6 — Trust of Trusts 48.16 50.88 —

Life & Equity Assurance Northcliffe House, Colston Ave., Bristol, BS1 4XB 0272 297281
♥Sel Inv Sept. 19 40.0 42.5 — ♥Sel Hn Sept. 19 56.5 60.0 —

Life Assur. Co. of Pennsylvania 39-42, New Bond St., NW1Y 0RQ. 01-493 8395
♥ACOP Units 922 968 —

Lloyd's Life Assurance Ltd. 12, Leadenhall St., EC3M 7LS. [illegible]

Save and Prosper Group 4, Gt. St. Helen's, London, E.C.3. 588 1717
♥Bal'nedInv Bd. 96.9 102.1 +0.4 — ♥Equity Bonds 87.3 91.9 +0.7 — Equity PensionFd 97.0 102.1 +0.2 — ♥*Mini Bonds 24.4 25.8 — ♥**Propety Fds 117.1 123.3 — ***Pr'pP'nsFd 101.8 107.2 —
*Price on Sept. 20. **Sept. 17. ***Sept. 6.

[illegible]

F.T. SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1973 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
99	97½	Treasury 5½pc 1973	98	–1/32	5.31	11.06
98	95	Conv. 5½pc 1974	96	.....	5.46	10.88
95	95	[illegible]	95¾	.....	5.74	10.29
97	95	Treasury 6¾pc 1974	96	.....	7.03	10.31
97	93	Treasury 6pc 1975	94	–⅛	6.32	10.09
99	93	Treasury 8pc 1975	95	–⅛	8.34	10.80
93	89	[illegible]	89	–⅛	3.34	8.92
95	90	Exch. 6½pc 1976	90	–⅛	7.17	10.95
95¼	89	Treasury 6½pc 1976	89	–⅛	7.26	10.84
96½	96	[illegible]	96½	.....	4.14	6.56
—	—	Treasury [illegible]	96	.....	10.63	10.98
91	85	Treasury [illegible]	86¾	–⅛	7.20	10.97
87	82	[illegible]	83	.....	3.60	8.71
85	80	Transport [illegible]	81	–⅛	4.92	9.45
101	90	Treasury 9pc 1977	91	–⅛	9.73	11.37
86	77¼	Exchequer [illegible]	79¼	.....	6.31	10.43

Five to Fifteen Years

1973 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
75	69	Treasury 3pc 1979	70½	.....	4.26	9.63
[illegible]	[illegible]	Electric [illegible]	73xd	.....	5.79	10.32
[illegible]	70	Do. [illegible]	72	.....	4.95	10.00
100	89	Treasury [illegible]	90	.....	10.02	11.27
75	[illegible]	Treasury [illegible]	69	.....	5.10	10.03
83	[illegible]	Funding [illegible]	75½	.....	7.09	10.78
75	65	Treasury [illegible]	67	.....	5.25	10.00
97	85	Do. [illegible]	87	.....	9.97	11.26
80	70¼	Funding [illegible]	71	.....	7.83	10.23
95	82	Treasury [illegible]	83	.....	10.36	11.16
81	68	Funding [illegible]	68	.....	9.42	10.95
87	75	Treasury [illegible]	76	.....	10.36	11.34
54	46	Transport 3pc [illegible]	47	.....	6.59	9.90

Over Fifteen Years

1973 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
68	55	Treasury 5pc [illegible]	56xd	.....	8.77	10.65

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

PUBLIC BOARD AND OTHER LOANS

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 24% (based on $2.4190 per £)

CANADIANS

S.E. List Premium 24% (based on $2.4343 per £)

"Recent Issues" and "Rights" Page 27

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £250 per annum for each security.

For Notes, see page 45

BANKS AND HIRE PURCHASE

1973 High	Low	Stock	Price	+ or –	Net D.V.	Cvr	Y'ld pc	P/E
46	31	Alexanders [illegible]	37	+1	Qu12½	3.4	3.4	12.4
270	190	Alexanders D. £1	210	–5	Q[illegible]	—	6.9	—
£68½	£58	Algemene Fl. 100	£62½	.....	Q15	6.5	4.7	20.0
975	475	Allen Harvey £1	475	.....	30.7	—	9.2	—
182	137	Allied Irish	146	.....	Q20	—	3.4	—
157	86	Arnold Cattell	92	–1	Q5	5.0	1.4	21.2
254	150	Anglo Israel £1	250	.....	Qtb9.1	—	3.6	—
430	350	Arbuthnot L. £1	380	.....	6.9	—	2.6	—
470	340	Aust. & N.Z. £1	348	+3	Qt10	—	2.9	—
40	35	Bk. Hapoalim [illegible]	37	.....	Qs12½	—	4.0	—
453	340	Bk. Ireland £1	355	+5	Qh15	—	4.2	—
[illegible]	[illegible]	Bk. Leumi [illegible]	38	.....	Q15	—	3.6	—
595	495	Bk. N.S.W. $A2	495	.....	Qtr12	—	2.9	—
750	535	Bank Scotland £1	540	.....	14.7	2.8	3.9	9.2
458	352	Barclays £1	354	+7	[illegible]	4.5	2.9	11.0
337	247	Barclays Travel [illegible]	247	.....	Qu22½	1.2	2.9	42.7
154	86	Bowmaker (C.T.)	86	–4	8.4	3.7	3.5	11.1
121	84	Brit. Bk. Com.	90	.....	7.3	3.4	2.9	14.4
740	650	Brown Shipley £1	650	.....	Q17.8	—	2.7	—
[illegible]	71	Ryerson [illegible]	80	–1	[illegible]	5.3	3.6	7.4
[illegible]	117	Burston Group	121	.....	Qt18	2.7	3.7	14.2
400	250	Cater Ryder £1	275	.....	15.4	—	8.0	—
90	30	Cedar Hldgs 20p	35	–2	7	ϕ	5.9	ϕ
[illegible]	197	Com'l Aus. [illegible]	233xd	.....	Q13	—	3.4	—
750	560	Com. Bk. [illegible]	705xd	.....	Q17	—	3.9	—
177	94	Corinthian 10p	94xd	.....	†13.3	5.4	2.0	13.0
£101½	£16	Cred. France F75	£19½	.....	Q9.7	—	3.5	—
249	159½	Dawnay Day	167	.....	Q26	1.8	3.9	16.1
193	154	F.C. Finance	154	.....	†11.8	4.3	2.8	12.0
67	45	First Nat. [illegible] 10p	60ϕ	.....	—	—	—	—
101	72	First Nat. 10p	77	–2	†18.4	3.2	3.5	12.9
36½	19	Do. Wrnts. [illegible]	23	.....	—	—	—	—
67	34	Fraser Ans. 10p	34	.....	7	—	2.9	—
380	250	Gerrard Natl.	275	.....	41.1	—	5.7	—

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS, ETC.

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING AND METAL

ENGINEERING AND METAL—Cont.

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS—(Miscel.)

هكذا من الأصل

INDUSTRIALS—Continued

INSURANCE

MACHINE TOOLS

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TEXTILES—Continued

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Finance, Land, etc.

OILS

RUBBER AND SISAL

1973 High	Low	Stock	Price	+ or −	Net Div.	Cvr	Y'ld pc
47	30	Anglo-Ind'n'sa	33	+1½	—	—	—
50	29	Berlam Con. 10p	36	......	12.9	0.9	5.1
84	52	Bradwall 10p	73	......	14.7	0.8	2.9
56	25	Bukit Meri. 10p	45	−1	Q10	1.8	2.2
114	78	Castlefield 10p	86	+1	Q15	1.5	1.7
85	66	Chersonese 10p	76	−1	28	0.7	5.3
77½	43	Cons. Plants 10p	54xd	−½	15.2	♦	4.0
29	20	Dwa. Plant 10p	28	......	♦B	—	—
41½	17	Cadek 10p	41½	......	8¾	0.8	3.0
87	59½	Goldn Hope 10p	65	−1	Q35	1.2	5.4
7½	4¾	Grand Central 10p	6	......	Q25	—	11.9
445	342	Guthrie Corp £1	386	−2	12.9	1.3	4.8
129	82	Highlands 10p	103	−1½	25.7	0.5	3.6
178	85	Kuala Kepong 10p	140	......	Q25	1.8	1.8
*41	28	Kulim 10p	32	+½	11.9	0.8	5.3
60½	41	Ldn. Asiatic 10p	42½	......	b17.5	1.2	5.9
50	30½	Ldn. Sum'tra 10p	32½	−½	10.3	1.5	4.5
81	36	Malakoff 10p	56	......	Q12½	1.9	2.2
23	15	Malayalam 10p	16	......	10½	♦	9.7
60	36	Muar River 10p	52	......	11	♦	3.1
56	37	Pataling 10p	43½	−1	th16.3	1.1	5.7
67	44	Plantat'n Hlgs. 10p	51	......	Q21	1.4	4.1
£11½	675	Sungie Krian £1	900	......	Q40	1.1	4.4
*34	17½	Taiping 10p	28	......	Q68	1.6	2.9
68	24½	Warren Instn. 10p	63#	......	Q25	0.7	0.8

TEAS

India and Bangladesh

1973 High	Low	Stock	Price	+ or −	Net Div.	Cvr	Y'ld pc
52	44	Assam & Afr. £1	44	......	Q4	1.7	9.1
100	76	Assam Docars £1	76	......	Q7½	2.3	♦
110	66	Assam Fron'r £1	66	......	Q8	U1.8	12.1
108	76	British Indian £1	76	......	Q6	1.5	7.9

Sri Lanka

Africa

MINES—CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIANS

TINS

COPPER

MISCELLANEOUS

THE LEX COLUMN

Index rose 0.1 to 428.4

Display of strength by Wimpey

Wimpey's first half results, showing a jump in pre-tax profits from £5.5m. to £12.8m., are remarkable. Not only do they reflect an important improvement in the group's trading performance, but they suggest that the long tradition of conservative reporting is being at least partly relaxed. Needless to say the figures were a long way ahead of City guesses, and the 10p price jump puts the shares close to the 1973 high at 116p.

Plainly, housebuilding has played a sizeable role in the latest advance. At the same time, a larger number of contract completions boosted the contribution from elsewhere in construction (and a 37 per cent. rise in end-June orders underwrites the future). The overseas side improved sharply, and has £1.8m. of loss elimination potential among associates for the year as a whole. And cash from the Oldham Estate share sale could have boosted January-June interest receipts by £0.5m.

This half the liquidity benefit will be much more (a £12m. Oldham instalment was received in May). As for the slowdown in private housing, that may be a problem for the salesmen right now, but Wimpey pre-sells six or nine months ahead of building completion, and may not actually take profits until much later still; the group's profits paint a very historical picture. The medium term outlook may not be so good for housing but the earning potential of recent non-housing orders must have been very high in a pick-and-choose period for the major contractors. Assuming £27m. pre-tax for the year, a prospective p/e of 11 is an interesting proposition, given the property plus cash backing.

See also Page 29

Cadbury Schweppes

Striking feature about a £3.1m. improvement to £13.6m. pre-tax half time profits from Cadbury Schweppes is that £2m. of the improvement (at trading level) came from overseas, where 42½ per cent. of trading profits are now earned. Admittedly there is a counterpart in a £0.3m. jump in net minorities thanks to dilution of the Australian interests on the acquisition of Tarax: and a £½m. drop in the net interest charge, which must be associated with last November's cheap $30m. loan issue, helps below the trading line. But all this leaves a mere 12 per cent. trading profit improvement in the U.K., which is roughly in line with the adjusted sales gain.

On balance the implications look bullish. Overseas, CS would only be really concerned about profit margins were present raw material levels to shift markedly higher, rather than plateau. At home, the price commission is reckoned to have cost first half profits £1m., yet it was obviously going to bite with a group like CS, and the fact that it already has in the first half may pre-empt a fiercer impact in the second. On the whole, the impression is that CS's U.K. price structure is largely of its own choosing. With exceptionally buoyant soft drink sales already in the bag, and the favourable effect of zero rating for VAT operable for the full period, it would be surprising if the second half did not see further progress both at home and overseas. So there is comfort for a latest 12 months net p/e of just over 13 at 64½p.

See also Page 29

Dickinson Robinson

Dickinson Robinson always argues that as a converter, rather than a papermaker proper, it follows the U.K. economic cycle rather than the more volatile one in the world paper trade. Currently it takes a relatively optimistic view of the U.K. economic situation; so with a rise in first half 1973 profits from £6m. to £8.8m. pre-tax and excluding exceptional credits following a similar gain in the second half of last year, it sees scope for further improvement. With capacity stretched, and shortages of labour and raw materials developing, there is still some scope for trading up in product terms, but the emphasis from now on seems to be on maintaining margins rather than improving them. This seems to fit in with outside estimates of £18m. to £18½m. for the year, net earnings of around 10½p and a prospective p/e of 11.2 at 119p, up 2p yesterday.

See also Page 27

Delta Metal

Delta Metal's first half profits of £12.6m. pre-tax, excluding the below the line metal profits item of £3.1m., are 22 per cent. up on the preceding and 40 per cent. better than the corresponding half of 1972. Annualised net earnings, however, are slightly less than a quarter over the 1972 level at 10.2p a share, one braking element being the January acquisition of Aerialite. Delta knew that Aerialite had its problems in Holland, but the "substantial shortfall" on the latter's £640,000 forecast for 1972-73 also takes in short term effects of U.K. pricing restrictions; heavily slanted towards the lighter, list-priced end of the cables business, Aerialite had big problems in chasing a copper price which went from £450 at the start of this year to £715 in the middle; Delta's own cable operation, at the heavy end mainly, tends to have its prices on a basis adjusted for commodity price changes.

Minor accidents like this apart—since Delta reckons to have straightened Aerialite out—the policy of moving towards a one-third/two-thirds split in the group between semi-manufactured and finished products is still viewed by Delta as the basis for further growth. A forecast of second half profits no lower than in the first is probably taking no chances, although growth at anything like the first half rate tends to be ruled out by the thought that the boom in semis was already beginning to show through in the second half of last year. That, from however high a base, put Delta in the decelerating growth stock category, giving the market a somewhat flimsy excuse for rating it on a p/e of only 9¾ at 96p.

See also Page 27

Lombard

If world money squeeze hits trade

BY C. GORDON TETHER

THE double-figures Bank Rate now appears to be well on the way to becoming just as common as the double-figures inflation rate. And, since the emergence of this unprecedented situation reflects an almost universal official enthusiasm for putting a great deal of emphasis on monetary policy in the fight to fend off inflationary disaster, it places a new—and very big—question-mark over the future of world trade.

For it clearly has to be asked whether the resilience it has displayed in face of the other powerful deterrents that have recently entered the picture would survive a world-wide drop in the tempo of economic activity of the kind that a multiplicity of super-tight-money programmes could precipitate.

There have been occasions in the past when it was possible to perceive a dear-money fashion developing over the world as a whole. But never before (outside global warfare phases) has there been an upward movement in interest rates that embraced so many countries at once, nor one that established so many Bank Rates at the dizzy figures at present to be seen on all sides.

This does not appear to be attributable, as the IMF recently pointed out, to a closer synchronisation of cyclical fluctuations, "there having been no clear upward or downward trend in the extent to which countries have been experiencing different degrees of demand pressure at the same time." The real explanation, it would seem, is that, as internationally transmitted inflation has everywhere come to assume much greater importance by comparison with the home - backed element, national rates tend to move much more in harmony.

Investment

However, the very fact that the intensity of the dear money movement is to a significant extent rooted in an external phenomenon rather than in the state of the economic score at home means that its implications for the state of the world's economic health are potentially more serious than they would otherwise be. For in countries where the domestic economy is not fully extended, such astronomical Bank Rates are obviously calculated to cause an unwanted decline in the pace of economic growth.

Whether their overall impact in the world at large will be serious enough to produce a really marked drop in the level of economic activity remains to be seen. A great deal is obviously going to depend on what happens on the capital investment front.

It can be contended that, given the pace at which the value of money is being eroded, there is no justification at present for cutting back capital spending on account of high interest rates, the indicated cost of money in real terms still being comparatively low. But it cannot be taken for granted that all—or even the great majority—of business concerns will accept this.

Many may feel that, since all governments are ostensibly engaged in an all-out drive to cut the pace of inflation drastically, there is a real possibility that borrowing commitments—other than short-term—shouldered at current rates could prove very expensive in the end. And, if they do think this way, we could see the double-figures Bank Rate fashion leading on to a dramatic fall in world investment, and thence in economic traffic in the round.

No guide

So far, international trade has stood up remarkably well to the backwash of the breakdown of the fixed parities system and the ensuing onset of widely-fluctuating exchange rates and similar forms of disorderliness. Indeed, during the first half of 1973 expansion was proceeding in real terms faster than usual. However, this may have been partly attributable to temporary factors—to a tendency, for example, for traders to expedite deliveries to "beat" anticipated changes in relevant exchange rates.

If things do worsen on this account and global investment proves vulnerable to record Bank Rates, we could easily see a major deterioration in the behaviour of international trade adding its weight to the other economic problems now besetting the world.

To the extent that this helped to damp down the fires of global inflation, it would, of course, be an ill-wind that blew some good. Unfortunately, too, in these days stringent monetary policies are much more successful in producing consequences we don't want than those we are looking for—in particular, slowing down useful economic activity without curbing inflation.

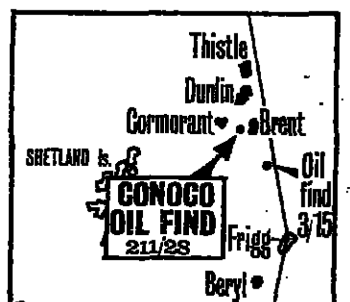
'Significant' Conoco oil find east of Shetlands

BY ADRIAN HAMILTON

THE CONOCO North Sea exploration group, in which the National Coal Board has a one-third share, has made a highly promising oil discovery east of the Shetlands.

The group said yesterday that it had "cored and logged significant shows of oil" in its latest well on block 211/28, ten miles west of the giant Brent Field.

Significantly, the statement added that the sands in which the shows were found were thought to be "approximately equivalent to the productive zones" in the major Brent, Dunlin and Thistle fields nearby.



Progress on the well had been interrupted by mechanical difficulties and the Continental Oil/NCB/Gulf group, after being forced to re-drill a portion of the field, had still to drill and evaluate a second deeper geological zone before undertaking an extensive testing programme on the find.

Any assessment of the extent of reserves, it emphasised yesterday, could only be made after testing was complete and several additional wells had been drilled.

Despite the group's caution, the general feeling in the industry was that Conoco was likely to have found a significant commercial discovery in the area.

Its proximity to the other major fields in the east of the Shetlands Basin, and the similarity of its producing zone, give it considerable commercial promise if further drilling should prove successful.

The structure being drilled is known to be one of the more attractive in the area, extending westwards into the adjoining Amoco block, 211/27.

Amoco, which is bringing several large new rigs into the North Sea next year and has contracted the Waage I semi-submersible for two holes starting in late November, could well drill its portion of the field over the winter.

News of the latest find comes at a time when the East Shetlands area is rapidly emerging as the most prolific part of the North Sea yet drilled.

Shell/Esso has already proved a giant field at Brent, and has established another find of equal promise at Dunlin on block 211/23, 21 miles north-east of the latest well.

The Dunlin structure extends east into a Conoco block 211/24, and may also be connected to another major find, the Thistle Field, which is now being proved up, by the Signal/Tricentrol group on block 211/18 to the north.

Discovered reserves in the area, including oil finds which have yet to be fully proved, probably amount to over 3,000m. barrels of recoverable oil with a possible producing capacity of over three-quarters of a million barrels per day—or some 40 per cent. of current U.K. oil demand.

North Sea oil review Page 18

Selmes bids £20m. for Grendon Trust

By Nicholas Owen

GRENDON TRUST, the property and industrial company headed by the Duke of St. Albans, is to receive a take-over bid arranged by the private interests of 28-year-old Mr. Christopher Selmes, which will value the group at £20m.

Mr. Selmes' interest was first disclosed earlier this month, when it was learned that a private investment company, Eastminster, has paid up to 255p per share for 35.06 per cent. of Grendon.

A spokesman for Eastminster said then that the shares had been purchased "at this stage, as an investment."

The holding has been built up now to 40.6 per cent., and Eastminster "will procure" an offer to all holders of 295p in cash per share. Grendon shares have been as low as 138p this year. In the stock market yesterday renewed hopes that Eastminster would mount a bid pushed the price up to 300p—a rise of 6p on the day.

Mr. Selmes began his City career with Mr. Oliver Jessel's Jessel Securities, later moving on to Mr. Pat Matthews' First National Finance Corporation.

'No relationship'

He then branched out on his own with the Drakes investment group. Its policy of acquisitions included the Norvic shoe concern before Drakes itself was taken over by London and County Securities, the finance and banking group run by Mr. Gerald Caplan.

Mr. Selmes is now a director of the quoted Dowgate and General Investments, which shares offices in the West End with Eastminster. Mr. Selmes and Mr. Gerrard Camamile sit on both Boards, but Mr. Nicholas Wright, Dowgate's secretary, has insisted there is "no relationship" between the two companies.

Grendon recently took over Monotype Corporation, the printing equipment business based at Salfords, Surrey.

Norton men to be offered jobs

BY PETER CARTWRIGHT

COVENTRY, Sept. 27.

PLANS FOR putting Norton Villiers Triumph motor-cycle operations on a secure footing were disclosed here to-day against the background of a £500,000 loss since the new company took over in mid-July with £4.8m. of Government money to create a viable U.K. industry after the failure of BSA.

As already announced, the Triumph plant at Meriden, just outside the city, is to be closed by February with the loss of 1,750 jobs. However, workers will be offered the opportunity to transfer to the old BSA works at Small Heath, Birmingham, which now supplies Meriden with engines and other components.

Modern plant

NVT is planning to build between 50,000 and 60,000 machines in 1974 and 120,000 the following year. Triumph is producing 30,000 a year and another 15,000 Nortons are coming from the Wolverhampton factory where Norton Villiers production has been centred since May.

Triumph made only 682 machines in the week before the closure was announced but it has a capacity of more than 1,000 a week. Plant worth moving will go to Small Heath, more modern plant will be bought and another 1,000 jobs will be created, nearly twice the present number.

Mr. Hugh Palin, managing director of Norton Villiers Europe, explained the reason for the move. Over the past three years the BSA-Triumph operations had resulted, he said, in a £16m. loss. The formation of NVT had been the only alternative to a BSA group receivership and the end of motor cycle production.

Concentration of production at Small Heath would save £3m. a year. Meriden was too small to accommodate a move of engine and component production from Birmingham.

Against the 330,000 square feet at Meriden, Small Heath had about 1m. square feet of which only half was in use, and it was sensible to concentrate production at the largest premises.

On future models, Mr. Palin explained that over the next year or so there would be rationalisation although both the Triumph and Norton marques would continue under the NVT banner. It is known that Triumph had an ambitious programme to introduce a range of machines from 250 c.c. up to a 1,000 c.c. Wankel motor cycle.

The programme has not been worked out but over the next two years or so new and complementary models will be introduced in a complete range of capacities.

Mr. Palin admitted the size of the continuing motor cycle losses had surprised the new management under Mr. Dennis Poore, chairman of Manganese Bronze, which has acquired the other BSA interests.

The "shame" of the situation was not the decision to close Meriden but the unhappy years before, which made the decision inevitable. "It was just as if every Triumph that went out of the factory had a £100 gift under the saddle," Mr. Palin said.

Nevertheless, NVT is faced with complex problems and having to make painful decisions. Not least of the problems is to improve communications with the work force, particularly at Meriden, after the surprise announcement of the closure.

Although this is holiday week, round-the-clock picketing is preventing any plant being transferred to Small Heath.

Lamson agrees to price cuts

BY ELINOR GOODMAN

THE Price Commission announced yesterday that Lamson Paragon, a subsidiary of Lamson Industries, exceeded its profit reference level in the first few months of Phase Two and has agreed to cut some of its stationery prices by 5 per cent.

This is the nearest the Commission has yet come to making a price reduction order. It follows several weeks of negotiations during which Lamson received a letter stating that if it failed to submit plans for correcting the excess such an order would be made.

It is expected that a series of similar announcements will be made over the next few weeks. In all, about 60 companies have been found to have exceeded profit reference levels in the period covered by their first financial returns to the Commission.

Most of these are understood to be classified as Category Two companies for the purpose of the Price Code with sales of under £50m. a year, but the list is also believed to include several of Britain's largest concerns.

The Commission would no doubt like to demonstrate the effectivenes of the Code by using its roll-back powers before the end of Phase Two, but the staff's workload is likely to mean that it has to concentrate only on those companies which have exceeded their profit margins by over 1 per cent.

Only in the case of retailers, where price reductions are relatively easily affected, is the Commission taking a really hard line with companies showing an excess of under 1 per cent.

The excess in Lamson Paragon's profit margin came largely through a sudden sales boom in office stationery after VAT was introduced. Orders fell away at the end of last year as buyers put off buying until stationery prices had been reduced by the abolition of purchase tax.

Lamson said yesterday that the excess was "very small in relation to Lamson Industries' total profits."

The company is cutting its stock computer sationery price by 5 per cent., a move which may well mean increased sales for Lamson in what is a highly price-sensitive market.

When the company submitted its first quarter returns it told the Commission that increased level of turnover in April and May could not be expected to continue throughout 1973, and because of the expected drop in sales its net margin would be below reference level for the year as a whole.

As in the case of the Safeway supermarket group, the Commission took a shorter term view of Lamson's profit margin and said that some corrective action would have to be taken immediately. The situation will be reviewed when the next quarterly return is made.

The Commission has now dealt with 719 applications for higher prices, of which about a third were either rejected or withdrawn. This still leaves a further 172 to be studied.

Wine trade appeal Page 14

PAY ROW HALTS EVENING PAPER

A work-to-rule halted production of the Thomson Organisation's Evening Echo and Post at Hemel Hempstead, Herts., last night. The pay dispute involves 85 members of the National Graphical Association.

Vital Chrysler meeting on Monday

BY PETER CARTWRIGHT AND CHRIS BAUR

KEY PEACE moves in the Chrysler U.K. dispute failed to materialise yesterday after a meeting of shop stewards from the Coventry plants was postponed until Monday.

This puts all the onus of averting the 8,000 dismissals threatened by Chrysler on workers at the company's Linwood plant in Scotland. Redundancy notices will start to go out next week unless the 7,000 production men there remain at work.

Reconvened

The meeting of Coventry shop stewards, scheduled for yesterday, was called by the Confederation of Shipbuilding and Engineering Unions.

It was mainly attended by stewards from the Electricians and Plumbers Union and after a 25 minute session Mr. Frank Chater, Confederation District Secretary, said that in view of the difficulties of getting all the stewards from other unions together—it is an industrial holiday this week—and the importance of the matter, the meeting would be reconvened on Monday.

At a late night meeting in London on Wednesday, leaders of the main car industry unions, including Mr. Frank Chapple, of the Electricians, Mr. Jack Jones of the Transport Workers and Mr. Hugh Scanlon, of the Engineers, urged the shop stewards to take urgent steps to find a solution to the dispute.

"I hope the company will recognise we are seeking to do everything possible to resolve this matter and that it will wait for the outcome of Monday's meeting at which the electricians will be in attendance before making any moves," said Mr. Chater.

The postponement drew a sour reaction from a number of electricians' stewards who claimed that other unions were showing less concern about the threat of dismissals than their leaders had claimed.

Mr. Chater emphasised that Monday's meeting would be empowered to come to conclusions and make recommendations. He hoped it would be possible to put a recommendation to a mass meeting of workers on Wednesday.

The stewards will be faced with the problem of finding a joint approach to a solution of the eight-week strike by the 156 Coventry electricians over their claim for £250-a-year wage increases.

Meanwhile, 5,000 Avenger car workers at Coventry have been recalled on Monday. At Linwood the major uncertainty concerns the attitude of the 124 electricians who called off their strike for this week to allow negotiations on their Coventry colleagues' wage claim to proceed.

The men are to meet on Saturday when they could postpone a decision on further strike action until after Monday's meeting of Coventry stewards.

The shop stewards of the two major unions representing production workers say their members will simply wait to see whether the electricians repeat their walk-out next week in sympathy with the Coventry men's official strike.

If they do, and the company is again obliged to call in managers to undertake the electricians' repair work, it looks as though the 7,000-strong Linwood labour force will again be recommended to strike against the use of "scab" labour.

That could then lead to the implementation of the Chrysler dismissals threat.

Mr. John Carty, the Linwood stewards' convenor, said he did not know at this stage what recommendation would be put to the men, but that it would "presumably be the same as last time."

However, opinion on the shop floor appears to have been moving against a continued strike. At the last mass meeting the stewards' recommendation to stay out was itself not unanimous.

Neither was the vote on it—the decision to continue the strike was carried by the slenderest of majorities and then only after four separate votes were taken to resolve the confusion.

It therefore seems more likely that the bulk of the Linwood employees would now be prepared to follow Coventry's example and ignore the electricians' picket lines.

This might not stop a smaller group of militants in the plant, however, from forcing the issue and striking in sufficient strength to disrupt production.

This has happened often enough in the past at Linwood, and some local officials are hoping the plant's electricians will lower the temperature by holding back any decision until after the postponed Coventry stewards' meeting on Monday.

Ford dispute

Unions representing 2,000 strikers at the Ford Motor Dagenham plant took a hard line yesterday, on the dispute which has made 8,000 men idle and halted all car production.

The 15 unions on the Ford national joint negotiating committee recommended official support for the strikers over their demand for the re-instatement of M. Winston Williams, a Ford worker who was dismissed for allegedly threatening a foreman.

At a full meeting of the Ford joint negotiating committee to-day, the unions will demand the full reinstatement of Mr. Williams before they agree to the matter going to arbitration. The original 140 workers who came out on strike in support of Mr. Williams last week are due to meet to-day.

Weather

U.K. TO-DAY

SUNNY INTERVALS and scattered showers. Rain at first in South and East.

London S.E., Cent. S., E., S.W. and Cent. N. England, E. Anglia, Midlands, Channel Isl., S. Wales

Cloudy, occasional rain at first. Sunny intervals, scattered showers later. Wind W., fresh. Max. 17C (63F).

N. Wales, N.W. and N.E. England, Lakes

Sunny intervals, scattered showers. Wind W., fresh to strong. Max. 14C (57F).

Isle of Man, Borders, Edinburgh, E. and S.W. Scotland, Glasgow, N. Ireland

Sunny intervals, scattered showers. Wind W., fresh to strong. Max. 13C (55F).

Aberdeen, Cent. Highlands, Moray Firth, Argyll, N.W. Scotland

Sunny intervals, scattered showers. Wind W., fresh to strong. Max. 12C (54F).

Caithness, Orkney, Shetland

Sunny intervals, scattered showers. Wind W., fresh to strong. Max. 10C (50F).

Outlook: Showers and sunny periods, rather cold.

Lighting-up: London 19.[illegible] Manchester 19.25, Glasgow 19.[illegible] Belfast 19.40.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Alexandria	S	31	88	London	F	14	[illegible]
Amstrdm.	F	17	63	Luxembrg.	F	14	[illegible]
Athens	S	25	77	Madrid	S	[illegible]	[illegible]
Bahrain	S	35	95	Manchstr.	C	[illegible]	[illegible]
Beirut	S	30	86	Melbourne	[illegible]	[illegible]	[illegible]
Belfast	R	9	48	Milan	F	[illegible]	[illegible]
Belgrade	C	15	59	Montreal	[illegible]	[illegible]	[illegible]
Berlin	C	11	52	Moscow	C	[illegible]	[illegible]
Birmghm.	C	12	54	Munich	[illegible]	[illegible]	[illegible]
Bristol	R	13	55	Newcastle	C	[illegible]	[illegible]
Brussels	F	16	61	New York	C	[illegible]	[illegible]
Budapest	C	14	57	Oslo	[illegible]	[illegible]	[illegible]
B. Aires	S	16	61	Paris	[illegible]	[illegible]	[illegible]
Cairo	S	36	96	Perth	[illegible]	[illegible]	[illegible]
Cardiff	C	12	54	Prague	C	[illegible]	[illegible]
Cologne	C	13	55	Reykjavik	F	[illegible]	[illegible]
Copnhagn.	F	10	50	Rome	C	[illegible]	[illegible]
Dublin	R	10	50	Singapore	[illegible]	[illegible]	[illegible]
Edinb'rgh	C	12	54	Stockholm	D	[illegible]	[illegible]
Frankfurt	F	16	61	Sydney	F	[illegible]	[illegible]
Geneva	F	15	59	Tehran	S	[illegible]	[illegible]
Glasgow	C	12	54	Tokyo	S	[illegible]	[illegible]
Helsinki	R	6	43	Toronto	C	[illegible]	[illegible]
H. Kong	C	26	79	Vienna	R	[illegible]	[illegible]
Jo'burg	C	16	61	Warsaw	R	[illegible]	[illegible]
Lisbon	S	25	77	Zurich	C	[illegible]	[illegible]

HOLIDAY RESORTS

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Ajaccio	F	24	75	Las Plms.	S	[illegible]	[illegible]
Algiers	S	26	79	Locarno	F	[illegible]	[illegible]
Barcelona	S	23	73	Luxor	S	[illegible]	[illegible]
Biarritz	C	18	64	Majorca	S	[illegible]	[illegible]
Blackpool	C	12	54	Malaga	S	[illegible]	[illegible]
Bordeaux	F	19	66	Malta	C	[illegible]	[illegible]
Boulogne	F	14	57	Nairobi	S	[illegible]	[illegible]
Casablnca.	S	24	75	Naples	T	[illegible]	[illegible]
Cape Tn.	C	17	63	Nassau	C	[illegible]	[illegible]
Corfu	T	26	79	Nice	S	[illegible]	[illegible]
Faro	S	29	84	Nicosia	S	[illegible]	[illegible]
Florence	C	18	64	Oporto	S	[illegible]	[illegible]
Funchal	C	22	72	Rhodes	S	[illegible]	[illegible]
Gibraltar	Fg	20	68	Salzburg	C	17	[illegible]
Guernsey	C	13	55	Tangier	S	[illegible]	[illegible]
Innsbruck	C	11	52	Tenerife	S	[illegible]	[illegible]
Inverness	C	13	55	Tunis	S	[illegible]	[illegible]
I. of Man	R	10	50	Valencia	S	[illegible]	[illegible]
Istanbul	S	24	75	Venice	R	14	[illegible]
Jersey	C	15	59				

S—Sunny. F—Fair. C—Cloudy. R—Rain. Fg—Fog. T—Thunderstorm. D—Drizzle.

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